

PAPER MONEY

Official Journal of the
Society of Paper Money Collectors

VOL. XLI, No. 5

WHOLE No. 221

SEPTEMBER/OCTOBER 2002

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OUR 2ND ANNUAL INTERNATIONAL SPECIAL ISSUE



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Paper Money

Official Bimonthly Publication of The Society of Paper Money Collectors, Inc.

Vol. XLI, No. 5 Whole No. 221 SEPTEMBER/OCTOBER 2002

ISSN 0031-1162

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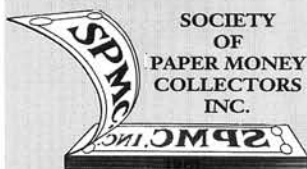
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SPMC EDUCATION COMMITTEE

The SPMC board has established an education committee to screen requests for funds for outside educational projects. Projects funded thus far include research at the Smithsonian Institution, and scholarships to ANA summer paper money seminars. Requests for additional funds should be addressed to committee chairman Benny Bolin. His address appears on Page 258.

Society of Paper Money Collectors



The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the

District of Columbia. It is affiliated

with the American Numismatic Association. The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show). Up-to-date information about the SPMC and its activities can be found on its Internet web site www.spmc.org.

MEMBERSHIP—REGULAR and LIFE. Applicants must be at least 18 years of age and of good moral character. Members of the ANA or other recognized numismatic societies are eligible for membership; other applicants should be sponsored by an SPMC member or provide suitable references.

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bership numbers will be preceded by the letter "j," which will be removed upon notification to the Secretary that the member has reached 18 years of age. Junior members are not eligible to hold office or vote.

DUES—Annual dues are \$30. Members in Canada and Mexico should add \$5 to cover postage; members throughout the rest of the world add \$10. Life membership — payable in installments within one year is \$600, \$700 for Canada and Mexico, and \$800 elsewhere. The Society has dispensed with issuing annual membership cards, but paid up members may obtain one from the Secretary for an SASE (self-addressed, stamped envelope).

Members who join the Society prior to October 1 receive the magazines already issued in the year in which they join. Members who join after October 1 will have their dues paid through December of the following year; they also receive, as a bonus, a copy of the magazine issued in November of the year in which they joined. Dues renewals appear in the Sept/Oct *Paper Money*. Checks should be sent to the Society Secretary. ♦

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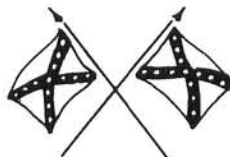
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THE FARMERS BANK OF RUSTICO, PRINCE EDWARD Island, was a unique organization: it was the smallest bank chartered in Canada; it was open only one day a week; and, it defied closure for many years. The bank's founder, the Reverend Father George Antoine Belcourt, himself, was one of a kind: missionary priest in Red River Settlement, linguist, colonizer and participant in a spectacular automotive accident in 1867. Father Belcourt and The Farmers Bank of Rustico provide an interesting juxtaposition.

Father George Antoine Belcourt & The Farmers Bank of Rustico, P.E.I. By Forrest W. Daniel

Antoine George Belcourt was born in La Baie-du-Febvre, Lower Canada (Quebec), on April 23, 1803; later he transposed his given names. He attended the local school, the Seminary of Nicolet, and was ordained a priest on March 18, 1827. After serving several parishes, he offered himself for missionary work in Red River Settlement, the area that was later to become Manitoba. When the call came he took a crash course in the Algonquin language.

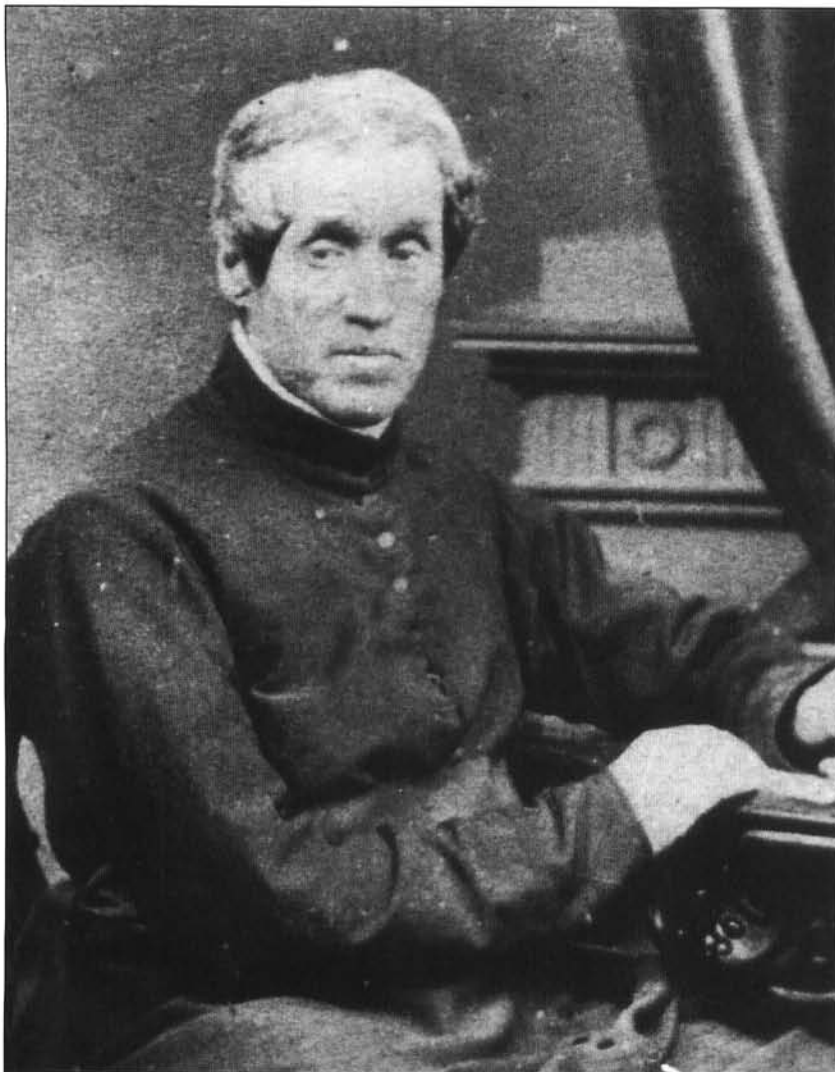
His journey west began at Oka, Quebec, on the Ottawa River on April 27, 1831. Transport was a 36-foot long Hudson's Bay Company canoe equipped to carry all the merchandise, passengers and provisions necessary for the arduous 2,000-mile journey across the rugged Laurentian Shield. A crew of 16 voyageurs manned the canoe. They arrived at Red River Settlement on June 16, and Father Belcourt began his 17 years of missionary service from St. Boniface (Winnipeg), with missions at Pembina on the Red River 60 miles south, and White Horse Plains 18 miles west.

On his arrival Father Belcourt began to study the Chippewa language, one of the Algonquin group, and within a year was able to communicate the Christian religion to the Indians. He compiled a grammar of the language; it and a book of piety in the Chippewa language were published in 1839. His dictionary of French and Chippewa, including etymology of each word and other language characteristics, was not published until after his death.



In the summer of 1832, Father Belcourt established a mission to the Crees, Assinaboines and Chippewas at Baie St. Paul on the Assinaboine River about 35 miles west of St. Boniface. It was said he would "first domesticate [the Indians] by making them farmers and then teach them to be Christians." Building the establishment took several years, since the people scattered annually to their usual winter camps where shelter, food, fuel and water were more accessible than on the open prairie. The summer and fall buffalo hunts occupied several weeks each year.¹

Father G.A. Belcourt (1803-1874), missionary, linguist, parish priest, founder of the Farmers Bank of Rustico. (Courtesy State Historical Society of North Dakota.)



Father Belcourt accompanied the annual summer hunt in 1845. The hunt lasted about six weeks and centered between Devils Lake and the Missouri River, now in central North Dakota. The summer hunt reaped the usual year's supply of meat, summer hides and pemmican. The fall hunt provided heavier buffalo hides for winter robes. As priest, he held daily religious services throughout the hunt.

The following year his services as a physician were required when an epidemic of dysentery and measles raged through the camp. When his medical supplies were exhausted, he traveled from the hunt camp located in the vicinity of Dog Den Butte to a location some 50 miles farther west. There at Fort Berthold and the adjacent Mandan/Hidatsa village, Like-a-Fish-hook on the Missouri River, he acquired additional medicine. After preaching in the Indian village he was asked to return and establish a mission there.

The Hudson's Bay Company monopoly on all trade north of the international border was challenged in 1846, by the Metis (mixed blood) traders who wanted to be free to trade across the border into the United States. While Father Belcourt went through the motions of promoting peace between the Company and the hopeful free traders, he covertly supported the Metis traders and their "smuggling." As a result of the Hudson's Bay Company's insistence, he was recalled to Montreal and resigned his position in Hudson's Bay Company territory in 1847.

Father Belcourt was immediately assigned to the vast Diocese of St. Louis, in the United States, and was

able to return as assistant missionary at Pembina on the Red River, barely south of the international border. He had returned to the people he chose to

¹ For a detailed description of the governance of Red River Settlement by the Hudson's Bay company during the time Father Belcourt served as missionary there, see: "Hudson's Bay Company Trade and Paper Money," by Forrest W. Daniel, *Paper Money*, Nos. 50 and 51, 1974. Illustrations of a typical buffalo hunt camp and Red River carts appear there.

serve. After the 1850 flood at Pembina, Father Belcourt reestablished his mission to the Metis about 30 miles to the west at St. Joseph (now Walhalla), North Dakota. About half way between Pembina and St. Joseph, where the heavily wooded valley of the Pembina River met the international border, was a crossing called Smuggler's Point.

Many of the priest's former parishioners followed him across the boundary and St. Joseph became a thriving community, boasting the first printing press (no imprints have been located), and the first flour and saw mills in what became Dakota Territory. Free traders made up a good portion of the population of St. Joseph; and, with their relatives and friends across the line an active cross-border trade was established. Prices in far-away St. Paul, Minnesota, were much higher than those paid by the Hudson's Bay Company right next door, so the business was profitable.

There is little question Father Belcourt encouraged the free traders to participate in the international sport. Again active pressure from the Hudson's Bay Company forced the Roman Catholic Church to transfer Belcourt out of their trade area -- this time to the farthest point in settled Canada, the small French parish in Rustico, Prince Edward Island.

Father Belcourt left St. Joseph in March, 1859, and after several months in his native Quebec was assigned to serve the parish of Rustico and a mission at Hope River. The community of 300 families of Acadian farmers and fishermen welcomed their French-speaking priest on November 1. One of his first activities was to relocate some of his parishioners to more favorable settlement areas. He became a colonizer.

The Acadians at Rustico were surrounded by Protestant land owners so there was no land available for purchase by young Catholics who wanted to begin farming. Belcourt found a favorable location for a colony on the Gaspé Peninsula. The first five colonist families sailed to Metapedia, Quebec, in May 1860; in the year following at least 35 more families left for Bay Chaleur. In the early 1860s other families started another parish on the Island. About the same time, another daughter colony was established in Kent County, New Brunswick.

Closer to home, Father Belcourt opened a high school in the parish house, organized a library, a band and an agricultural institute, with the latter open to abstainers only. And to ease the poverty of his parishioners, he set up a small bank.

The Farmers Bank of Rustico had many distinctions, even getting it started was a long process. The petition for an act to incorporate the bank was presented to the Prince Edward Island Colonial House of Assembly on March 30, 1863. After three readings, passage came on April 18 and the lieutenant governor's assent on the twenty-second. Royal assent from Queen Victoria and her ministers came almost a year later, on April 7, 1864; and then only after a great deal of debate about the need for such a small bank in such an out-of-the-way location. The granted bank's charter was to expire on June 1, 1883.

When Royal assent seemed assured, sales of shares in the bank began in February. Capital was set at 200 pounds Island currency (800 pounds Sterling, or less than \$3,900) with shares at one-pound each; allowance was provided for an additional capital issue of 20,000 in one-pound shares. No individual could own more than 10 per cent of the stock; and no director's obligation to the bank, in any fashion, could be more than 10 per cent of the capital. It was a tightly run bank; a farmer, Jerome Doiron was president; and school teacher Marin Blanchard, cashier and secretary.

A substantial building, built with 14-inch thick walls of red sandstone and hand-hewn 12-inch timbers fitted together without nails, was constructed by the shareholders and parishioners in 1864. Designed by Father Belcourt, the building also held, in addition to the bank, a high school and library on the



The Farmers Bank of Rustico and community center building designed by Father Belcourt, newly restored except for bilingual name of the bank across the top. (Courtesy P. E. Blanchard, Sec'y-Treas.)

ground floor and a large meeting hall upstairs. The building still serves as a parish hall. The first notes of the Farmers Bank, \$1s, \$2s and \$5s, were dated November 2, 1864. A second issue was dated January 2, 1872. The bank was open only one afternoon a week, on Wednesdays; and notes for discount were required to be presented to the cashier before one o'clock.

After a prosperous first year, the Farmers Bank of Rustico, paid a dividend of 12 per cent early in 1866 and was ready to increase its capital by 3,000 shares to 4,200. Stock sales, however, failed to reach that goal: peaked at 2,734 shares in 1871, with declines in later years. The principal business of the bank was small loans to farmers, as low as \$35, for six, 9 or 12 months. One source calls the bank the "first and only Credit Union, or People's Bank, in North America, . . ." ²

Early in its existence, the bank's circulation was more than twice the capital of the bank, but sale of additional stock may have taken care of that situation. Otherwise the bank seems to have been cautious in its banking practices. Between 1871 and 1875 business began to slacken noticeably and note circulation dropped by about \$1,000 a year. There were rumors that the bank was in trouble so Father Belcourt, who had left Prince Edward Island for the Magdalen Islands in the Gulf of St. Lawrence in 1869, was called back to make an investigation of the bank in 1873 -- only a few months before his death, as it happened. Belcourt declared the Farmers Bank of Rustico was completely sound and worthy of support, although he did admit that losses might reduce the dividend rate somewhat.

Despite the assurances of Father Belcourt, difficulties continued at the bank. Reports required to be filed with the provincial government seem to

² According to a pamphlet published by the Credit Union National Association, credit union associations were first established in Germany in 1849. Alphonse Desjardins brought credit unions to Quebec in 1900; later, in 1909, he started the first credit union in United States in a church parish in New Hampshire. The example of the Farmers Bank of Rustico demonstrated to Desjardins that commercial banking rules did not suit the people's banking movement, so he devised a method to circumvent any legal obstacles and the result was credit unions.

have stopped in April, 1875; customers often found the bank closed with only a notice posted on the door, and the bank began to defer payment of its notes in 1876. Whether the trouble was ignorance or indolence by the management is difficult to determine now. A change in management of the Farmers Bank of Rustico came eventually and redemption of its notes resumed in February, 1877, after a suspension of about eight months.

The Farmers Bank was unique in Canada. It operated under a provincial charter, but was permitted to issue \$1 and \$2 notes, a privilege lost by federally chartered banks in 1871. Neither did it have to make monthly reports to the Minister of Finance. These privileges continued until the expiration of its colonial charter, June 1, 1883.

As the expiration of its Prince Edward Island charter drew near, the bank petitioned the Canadian Parliament to extend its charter until 1891.³ The bill for re-charter sought to bring the bank into conformity with the Canadian Bank Act and continue its existence to July 1, 1891, the same date most other federal bank charters were scheduled to expire.

The new charter placed severe restrictions on the Farmers Bank of Rustico; it was forced to reduce its circulation of notes from double its capital, permitted by its Prince Edward Island colonial charter, to the top limit of its capital. While the amount of circulation was to be reduced in equal annual amounts over the period of the eight-year extension of the charter, there was no provision for the bank to increase its capital to equal its circulation. Thus, Canada's smallest bank was forced to become even smaller. It was, however, permitted to continue its issue of \$1 and \$2 notes. The bill which extended the life of the Farmers Bank of Rustico, and sealed its eventual fate, was passed; royal assent was received on May 25, 1883.

Three years later a member of Parliament implied that the bank was going out of business; that all of the other banks were trying to kill it and that the only ones trying to save it were a bunch of farmers who ran or were served by the bank and respected the memory of the reverend gentleman who founded it.

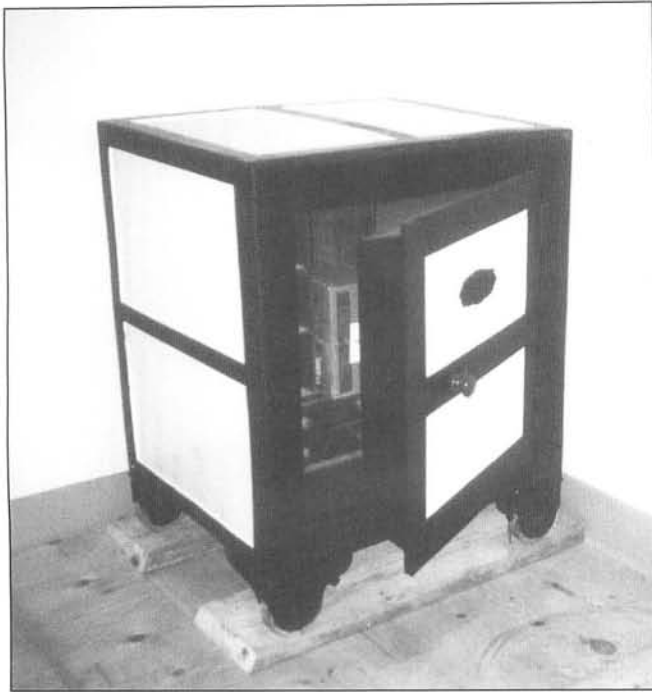
But the Farmers Bank of Rustico remained in business. It faithfully made its reports to the Minister of Finance; but it was not so strict in reducing its circulation. In 1891 a petition to renew its charter was presented to the House of Commons, but protests of the bank's policies were presented by larger banks. Action came so late in the session, however, that another extension was granted to July 1, 1894. All of the bank's circulation was required to be withdrawn by the end of that period. The extension granted permission for the bank to merge with a loan company, provided that the loan company assume responsibility for the bank's debts. No such merger occurred.

In face of the opposition, the bank increased its circulation and went on with its business until its charter expired on July 1, 1894. Cashier Doiron died a few days later, and the bank was deserted. It appears the bank just faded away; in 1897 Joseph Gallant, president of the bank, reported to the Deputy Finance Minister that about \$200 of Farmers Bank notes were still outstanding, and that steps were being taken to close the matter. The bank's notes were redeemed until 1900. The Farmers Bank of Rustico, founded in 1863 by Father Belcourt, was no more.

* * * * *

Father Belcourt was a traveler. He traveled half way across the North American continent four times -- at least once by Hudson's Bay Company freight canoe across the rough Laurentian Shield; and over the broad prairies of future Manitoba and North Dakota he traveled by Red River ox cart. Both

³ Prince Edward Island joined the Canadian Confederation as a province in July 1873.



Farmers Bank safe purchased by Father Belcourt in 1864, inscribed "E. L. Morse / Fireproof / Boston." (Courtesy P. E. Blanchard, Sec'y-Treas.)

were primitive means of transportation. In the East, he was accustomed to the luxury of steamboat and steam railway travel. So, since the Frenchman Nicholas Cugnot's 1770 "road wagon" had been refined over the years to a point of availability, Father Belcourt decided personal transportation was for him.

In 1866 the 63-year-old priest ordered a steam wagon from a firm in Philadelphia and had it delivered to Rustico. It was reported in the Charlottetown newspaper that on June 24, 1867, St. Jean Baptiste Day, a picnic of more than 900 persons, was held on the church grounds. A demonstration of the four-wheeled machine was the featured entertainment of the day.

By the time the engine got up enough steam to operate, the crowd was anxious to see how the contraption worked. There were doubters, of course, who thought the machine would frighten horses and cause grave bodily injury. Undaunted, their pastor mounted the seat, adjusted the levers, opened the valves and the horseless carriage was on its way.

What happened next is not exactly clear. One report says the great wonder steamed down the road a half mile and back at a fast speed, after which the crowd dispersed. Another version says the demonstration went well until the steam-propelled carriage went out of control, off the road and crashed into a fence. Yet a third "observer" said the craft put on a burst of speed without the permission of the driver, became unmanageable, left the road of its own accord and became entangled in a fence. No one seems to have questioned the capability of the driver to control the machine.

Even what happened to the wreckage following Canada's first automotive accident is not clear. Some say a mechanic found use for the engine in his machine shop; others say the steam engine was used in place of a windmill for threshing and sawing. But since Father Belcourt had always been mechanically inclined, and proved it with his inventiveness by building his own farm implements and tools on the western plains, it is more likely he put the stationary engine to practical use himself. He had the ability to adapt whatever resources he had for the good of the community.

During his 10 years as pastor at Rustico, Father Belcourt continued to work compiling his French-Chippewa dictionary begun early in his tenure in Red River country. It had reached about five hundred pages and was ready for the printer. The Smithsonian Institution in Washington, D. C., offered to publish the dictionary and asked for a companion Chippewa-French volume. At the urging of Bishop McIntire, Father Belcourt asked Bishop Bourget, when he arrived in Rome, to propose that the dictionary be published by the Propaganda. He hoped he might be called to Rome to help with correcting proofs and technical matters.

That plan fell through. The dictionary was not printed until many years after his death, and then under the auspices of Archbishop Tache of St. Boniface, where Father Belcourt had begun his mission work so many years before.

Belcourt was in declining health when he resigned the pastorate in Rustico in late 1869 and purchased a small farm at Shediak, New Brunswick, where he hoped to spend the rest of his life. Two years were spent plying his hobbies as carpenter, joiner and blacksmith. It is said he built a steam automobile which actually traveled under its own power. The Reverend Father George Antoine Belcourt was unique among bankers.

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Stock Certificate					
End Open	9 1/2 x 12 1/2	13.50	59.00	94.00	212.00
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His retirement lasted less than two years. In August, 1871, Father Belcourt was assigned as pastor to Havre-aux-Maisons, plus a mission at Etang-du-Nord, an area which included much of the Magdalen Islands in the middle of the Gulf of St. Laurence. Most of his parishioners were fishermen.

He became an active carpenter again, building a new parish house at Havre-aux-Maisons and a chapel at Etang-du-Nord both of which lasted for many years. He returned to his farm at Shediac for a couple of months in the fall of 1873 during which time he made his appraisal of the Farmers Bank of Rustico which had fallen on difficult times.

Seeing his frail condition, friends urged Father Belcourt to remain at Shediac. They felt another winter in the Islands would further impair his health; but he decided to spend another winter there rather than leave only one priest to serve the Islands. He promised to return the following summer. His more than two-week return trip to the Magdalen Islands at the end of November was delayed by damage to the ship and a violent snow storm. Prolonged sub-zero weather and hardships of missionary work during the long winter resulted in his physical breakdown.

The Farmers Bank Notes

THE FARMERS BANK OF RUSTICO ISSUED notes in two series, dated November 2, 1864, and January 2, 1872. Text of the obligation was in English and French denominated in dollars (piastres); the 1864 series carried sterling equivalents.

The dollar denominations used by the Farmers Bank and two other Prince Edward Island banks were in circulation years before decimal currency was introduced into Canada by the Decimal Currency Act of April 17, 1871, which took effect on January 1, 1872.

The Farmers Bank chose to value its dollar at \$5 to the pound sterling, the exchange rate in Nova Scotia. The other banks valued their notes at \$4.80 to the pound sterling, the rate in New Foundland. That meant that Island merchants had to have a special column in their currency conversion tables to accommodate notes of the Farmers Bank of Rustico.

Those notes added yet another confusion to the wide variety of foreign coins, currency and tokens that circulated in the commerce of Maritime Canada which had to be converted into pounds, shillings and pence for everyday trade. Every merchant had to be an expert in foreign exchange to operate his business.

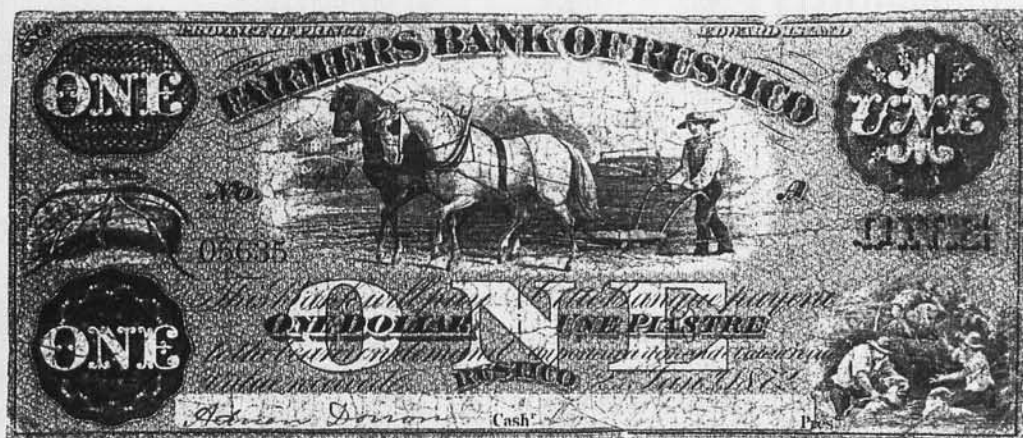
The second series of notes issued by the Farmers Bank of Rustico, under the Decimal Currency Act and dated January 2, 1872,

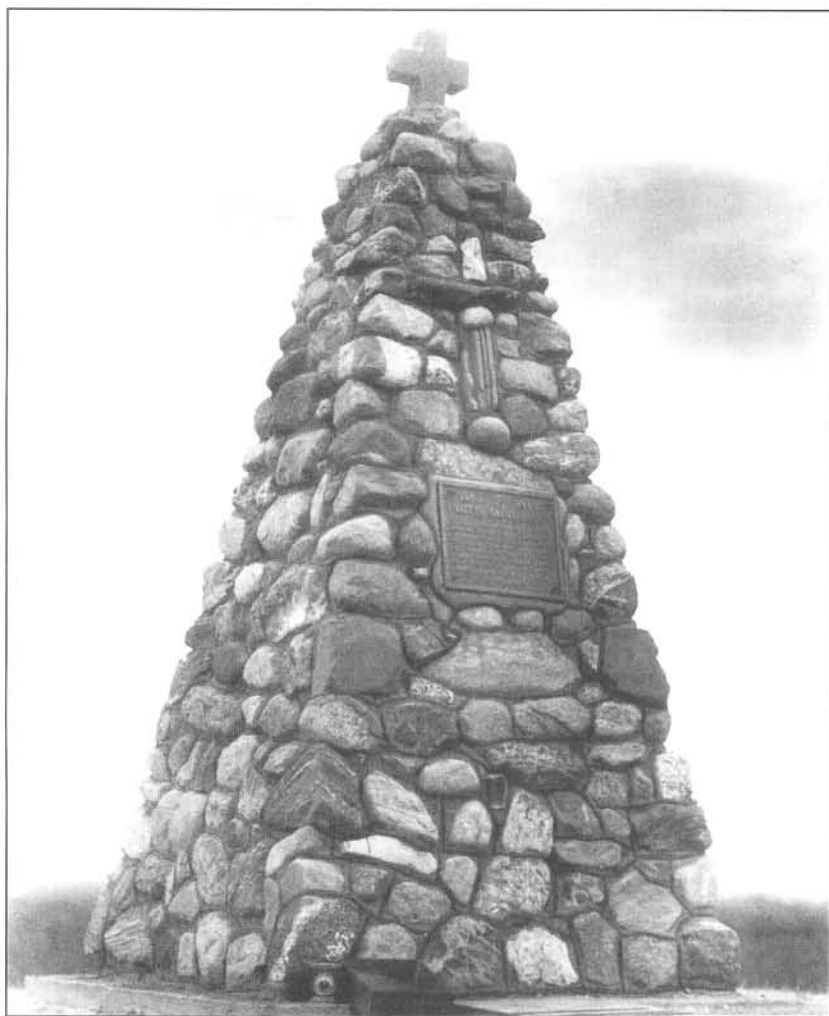
were valued at the standard Prince Edward Island dollars rate -- \$4.86 2/3 to the pound sterling.

The first issue of bank notes by the Farmers Bank was engraved and printed by the American Bank Note Co. in sheets of \$1, \$1, \$2, \$5. All have plain backs. Each note had three rural vignettes, one large and two small, fitting illustrations of the nineteenth century life of the farmer patrons of their bank. All notes were printed in black with an overall green tint. They were machine numbered in blue and signed by Marion J. Blanchard and Jerome Doiron.

The second issue, dated in 1872, was printed by the British American Bank Note Co. from revised American Bank Note Company plates. The earliest notes of 1872 series, signed by Blanchard and Doiron and numbered in red, are rare. Those with blue serial numbers are signed by Adrien Doiron and Joseph Gallant.

The Farmers Bank of Rustico bilingual note for one dollar. Second issue 1872, green tint, blue serial number, signatures of Adrien Doiron and Joseph Gallant.





In 1850 Father Belcourt, lost in a blizzard in the Turtle Mountains of Dakota, found shelter at a hill he later named Butte St. Paul and erected a cross there. On June 28, 1933, this cairn was erected where the original cross had been. In 1937 an effort was begun to have the remains of Father Belcourt removed from Memramcook, New Brunswick, to the Butte St. Paul site. Permission for the move was received from the senior surviving Belcourt relative, but World War II intervened and action for the removal was abandoned. The monument was rededicated in 1975. (Courtesy State Historical Society of North Dakota.)

He decided to return to his farm in the spring. In May, 1874, fishermen took him to Prince Edward Island for a brief visit at Rustico before he returned home to Shediac where he died on May 31. He was buried at Memramcook, New Brunswick. Father Belcourt's estate of \$3,636.68 included \$640 in stock of the Farmers Bank of Rustico.

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A Review of Treasury Bills of Panama

BY JOAQUIN GIL DEL REAL

IN HIS BOOK *HISTORY OF COLOMBIAN MONEY*, GUILLERMO Torres Garcia tells us that the "first paper money experiment" of what is today Colombia, was carried out by the Provisional Government of Tomas Cipriano Mosquera on August 24, 1861.¹ Prior to this the Government circulated Payment Orders and Promissory Notes² as media of exchange.

Using as a base Colombian Legislation, the Legislative Assembly of the State of Panama (since 1855 Colombia was experimenting with the federal system of government) approved a Law of October 28, 1861 authorizing the emission of Treasury Bills.³

"... for a value of twenty five thousand pesos. The Bills shall be of twenty, ten and five pesos, in the amount of each class that the Executive considers convenient."



Billete de cinco pesos, original of the 1861 issue. This bill was unnumbered and apparently an "excess" or "over-production" item. Due to the economic needs, it was "decreed" into service via the Decree of September 22, 1868, issuing 3,200 pesos in 640 notes of five pesos each.

These Bills, according to Article 3, of the Law: "... shall be compulsorily admissible in payment of all debt to the Treasury of the State," and shall be guaranteed by State land at the ratio of one hectare for every two pesos.

The Decree of December 24, 1861,⁴ regulates the original law, amended by Decree of March 1862⁵ and stipulates that the Bills shall be "lithographed in a foreign country." This first emission was printed by Snyder, Black & Sturm of New York, and only one example is known.

In 1865 the Constituent Assembly approved Law #17 of August 24th, ordering a new issue of Treasury Bills⁶ "... in the amount necessary to pay all compulsory Government Loans. . . ." These Bills were engraved by the American Bank Note Company in denominations of one, two, three and ten

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 GERMANY P-73 500 mark 27.3.22 AU-UNC - \$25.50
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 NIGERIA P-18e 20 naira (1977-84) AU-UNC - \$24.50
 NORWAY P-37d 50 kroner 1983 UNC - \$25.75
 PAKISTAN P-R7 100 rupees (1975-78) AU usual staple hls- \$12
 PERU P-S606b 1 libra 1.10.21 VF-EF - \$19.50
 PHILIPPINES P-99b 50 pesos (1944) F stains, pinholes - \$82
 PHILIPPINES P-157b 100 piso no date AU-UNC - \$16.50
 RUSSIA P-S1249 100 rubles 1918 (1920) AU Agriculture - \$32
 RWANDA P-22 5,000 francs 1.1.88 F colorful and scarce - \$26
 SINGAPORE P-4 \$25 (1972) UNC yellow flowers - \$127.50
 SPAIN P-58b 50 pesetas 24.9.06 F-VF female at center - \$53.75
 SURINAME P-45 500 gulden 9.1.88 AU-UNC pretty - \$29.50
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 UNITED STATES F-1551 \$100 1966A F decent - \$149.50
 WEST AFRICAN STATES P-301Cf 100 francs no date UNC - \$50
 YEMEN ARAB REP. P-21 100 rials (1979) AU pretty - \$14
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...BECAUSE MONEY DOES NOT GROW ON TREES



In 1866 the American Bank Note Co. printed 40,000 bank notes for the Estado Soberano de Panama (Sovereign State of Panama). The portrait of Tomas Herrera was engraved by James Bannister. Notes are one-peso (Pick S186), two-pesos (Pick S187), three-pesos (Pick S188), and 10-pesos (Pick S189). An additional 40,000 unnumbered notes were printed in 1869.

pesos, in sheets of four (or \$16 pesos in all). These were issued in 1866, with sheets numbered to 10,000.

A vignette of General Tomas Herrera appears on the side of the Bills. A second unnumbered printing of 10,000 sheets was effected in 1869. There are many fine examples of this issue still available.

It was not until 1873, when by Decree of 23 June⁷ that the President of the Sovereign State of Panama, considering: "... 1st That recent disturbances in the City have caused considerable burden to the State that ordinary obligations cannot be met. 2nd That salaries are owed to the military and civilian . .



that an issue of \$6,500 pesos were authorized of 700 \$5 pesos bills and 150 \$20 pesos bills. We have not been able to locate any examples of this issue.

Two years later, because of "... a lack of funds to meet the most urgent needs..." the Executive, by Decree of 28 October 1875⁸ authorized another issue of \$15,000 pesos, consisting of 400 bills of \$5 pesos and 650 bills of \$20 pesos.

The issue was oriented towards "those businesses, merchants and well-to-do people of the Capital City." There is only one example of this issue known, a \$20 peso note on display at the National Historical Museum.

The last Treasury Bill emission, that we know of, is Law 12 of 27 January 1880⁹ wherein \$20,000 pesos were authorized in three different series. The first series is 20,000 fifty cent (0.50) bills. The second series is 6,000 one (\$1.00) peso notes. Lastly, the third series consisted of 2,000 two peso (\$2.00) bills.

These notes were printed by the *Star & Herald* Company in Panama. Only copies of the fifty cent and one peso bills are known.

All Treasury Bills, just as Bond issues, promissory notes, etc., had by Law to be incinerated once they had been redeemed. Affidavits of these incinerations were published in the *Official Gazette* as they occurred.

According to Law 25 of 23 December 1878, as the State retired Treasury Bills, it was authorized to reissue them in amounts of one, three, seven and ten pesos. However, there is not evidence of any such bills ever being issued.

Under Decree 98 of 22 May 1882, the Presidency of the State authorized the issue of \$50,000 in treasury bills as capital for the formation of the Banco

Not listed in the *Standard Catalog of World Paper Money*, this issue of 1875 20 pesos, black on brown, was printed by *Star & Herald*, Panama. This is the only example known and is on display at the National Historical Museum.



Estados Unidos de Colombia, 50 centavos (unlisted in Pick), 2 1/4 inch by 3 7/8 inch. Discovered in a private collection in Panama. Printed by *Star & Herald*, Panama, black on brown.



Estados Unidos de Colombia one peso, Pick S195, 3 inch by 4 3/4 inch. Few examples are known. A two peso note was also printed but no examples are known.



del Estado de Panamá.¹⁰ However, nothing ever came of this either.

END NOTES

- 1 Torres Garcia, Guillermo. *Historia de la Moneda Colombiana*. Bogota: Imprenta del Banco de la Republica (1945), pg. 87.
- 2 *Gaceta del Estado*, Numero 108, October 24, 1857.
- 3 *Gaceta del Estado*, Numero 209, November 20, 1861.
- 4 *Gaceta del Estado*, Numero 212, February 26, 1862.
- 5 *Gaceta del Estado*, Numero 213, March 8, 1862.
- 6 *Gaceta del Estado*, Numero 110, November 6, 1865.
- 7 *Gaceta del Estado*, Numero 124, July 5, 1873.
- 8 *Gaceta del Estado*, Numero 222, October 30, 1875.
- 9 *Gaceta del Estado*, Numero 488, February 1, 1880.
- 10 *Gaceta del Estado*, Numero 689, June 8, 1882.



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The Many Incarnations of **Paul Thumann's** *'The Fates'*

By Mark D. Tomasko ©

A PAINTING DONE BY THE GERMAN ARTIST PAUL Thumann (1834-1908) was very appealing to the security engraving business. No less than three, and probably four, bank note companies used this artwork as the basis for vignettes.

In the late nineteenth century, bank note companies had much less need to commission allegorical and decorative art for vignettes. Why? Because what we today refer to as "Salon" art or "Classical Realism" was the prevailing artwork of the day. It provided the bank note engraving organizations with many opportunities to appropriate an image of an allegorical or decorative female from a painting, to be used as the basis for a vignette.

The normal procedure for turning one of these paintings into an engraving was to start with a photograph of the painting. If no alterations of the image were desired, the photo was simply reduced to the size to be engraved. If the image was to be altered, a bank note company designer would make the desired changes by adding new artwork right on the photo. The modeled photograph was then reduced to the size to be engraved so the engraver could get a tracing on the die.



Figure 1 Paul Thumann's painting, *The Fates*, which was heavily used in bank note engraving.

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Figure 2 (top) Early progressive proof of Fred Smillie's engraving of an altered version of *The Fates* for the Homer Lee Bank Note Company.

Figure 3 (above) Die proof of *Prosperity*, Fred Smillie's finished engraving of the altered version of *The Fates*

Figure 4 (opposite top) Stock certificate of the John Good Cordage and Machine Company, by the Homer Lee Bank Note Company, using *Prosperity*.

Figure 5 (opposite bottom) City of Duluth, Minnesota, bond, 1896, by the Homer Lee Bank Note Company, with the *Clotho* figure from *Prosperity* used by herself.

PAUL THUMANN WAS A professor of art, originally at the Art School in Dresden, and later at the Royal Academy in Berlin, where he was a professor of genre painting. He specialized in historical scenes, folklore, family life, and genre painting in general. The original painting of *The Fates* was done life size, and the painting received considerable acclaim. One commentator described the scene: "The thread of human destiny is spun by beauteous hands, 'tis gathered up amidst fresh leaves and beautiful flowers, by those to whom life is a field of sensuous enjoyment; 'tis clipped by the stern and haggard dame, who has the mystic shears, sitting in the shaded background, where unseen she watches the gliding thread, and at her will disposes of human destiny."

In the painting, (Figure 1), the three fates are *Atropos*, the cutter of the thread of destiny, *Clotho*, the middle figure, holding the distaff and spinning the thread of destiny, and the figure on the right is *Lachesis*, who measures the thread of destiny. *Atropos*, not surprisingly, did not make it into any vignettes. She is a depressing, homely figure, who would not very well decorate (or "embellish," as the bank note engravers used to say) a bank note or security. *Clotho* and *Lachesis*, however, were much sought after in the bank note world.

We can credit the Homer Lee Bank Note Company, and probably either Thomas Morris, their new designer at the time, or G.F.C. ("Fred") Smillie, the picture engraver then working for Homer Lee (see my article on the Smillie collection in the June 2001 *Bank Note Reporter*), for being the first to select this art for engraving.

FRED SMILLIE USED A MODELED VERSION OF THE painting, with *Clotho* and *Lachesis* and a new background, to engrave for Homer Lee Bank Note in May of 1888. Figure 2 above illustrates an early progressive proof of the vignette, and Figure 3 above has a finished die proof, with the title *Prosperity*, doubtless a more appealing name to corporate clients than *The Fates*. *Prosperity* was evidently popular with clients as the vignette was used on various securities done by Homer Lee, including The John Good Cordage and Machine Company stock certificate (Figure 4 opposite), New York City bonds of the 1890s, as well as two bank notes, the 1000 peso Banco Mercantil de Yucatan (PS452) and the 800 Bolivares Banco Caracas (Venezuela PS139).

A successful vignette begets variations, especially with a relatively young bank note company such as Homer Lee, which did not have a large stock of vignettes. *Clotho* was used by herself (Figure 5 opposite, City of Duluth bond)



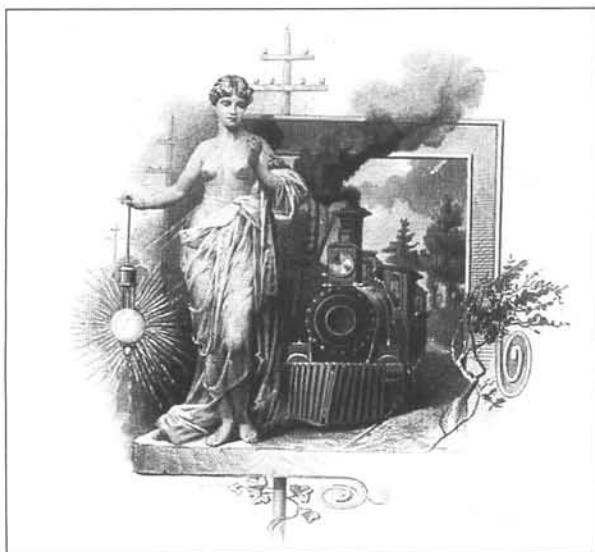


Figure 6 (above left) Die proof of the *Clotho* figure with a locomotive, another vignette prepared by the Homer Lee Bank Note Company using a figure from *The Fates*.

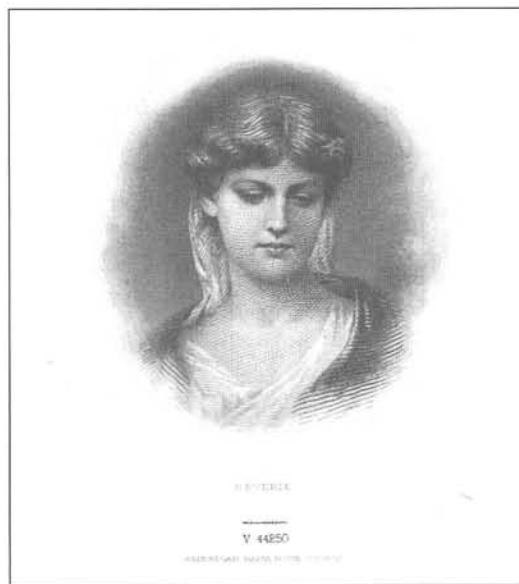
Figure 7 (above right) Die proof of the *Lachesis* figure seated by herself in a pastoral setting, by the Homer Lee Bank Note Company.

Figure 8 (right) Die proof of the head of the *Clotho* figure, entitled *Reverie* and engraved for the American Bank Note Company in 1894 by S. Oyama.

Figure 9 (below) Proof of the intaglio portion of the Brazil 1000 Reis bank note, 1926, by American Bank Note, using *Reverie*.

and next to a railroad engine (Figure 6 above), in both cases holding an electric light. A far cry from the thread of destiny! *Lachesis* also was split off by herself, to sit next to a tree in a pastoral setting, but I have only a die proof of this (Figure 7 above), and do not know if it was actually used on a security.

THE AMERICAN BANK Note Company must also have noticed *The Fates* because they asked S. Oyama, an outstanding engraver from Japan working for ABNCo on Trinity Place in New York, to



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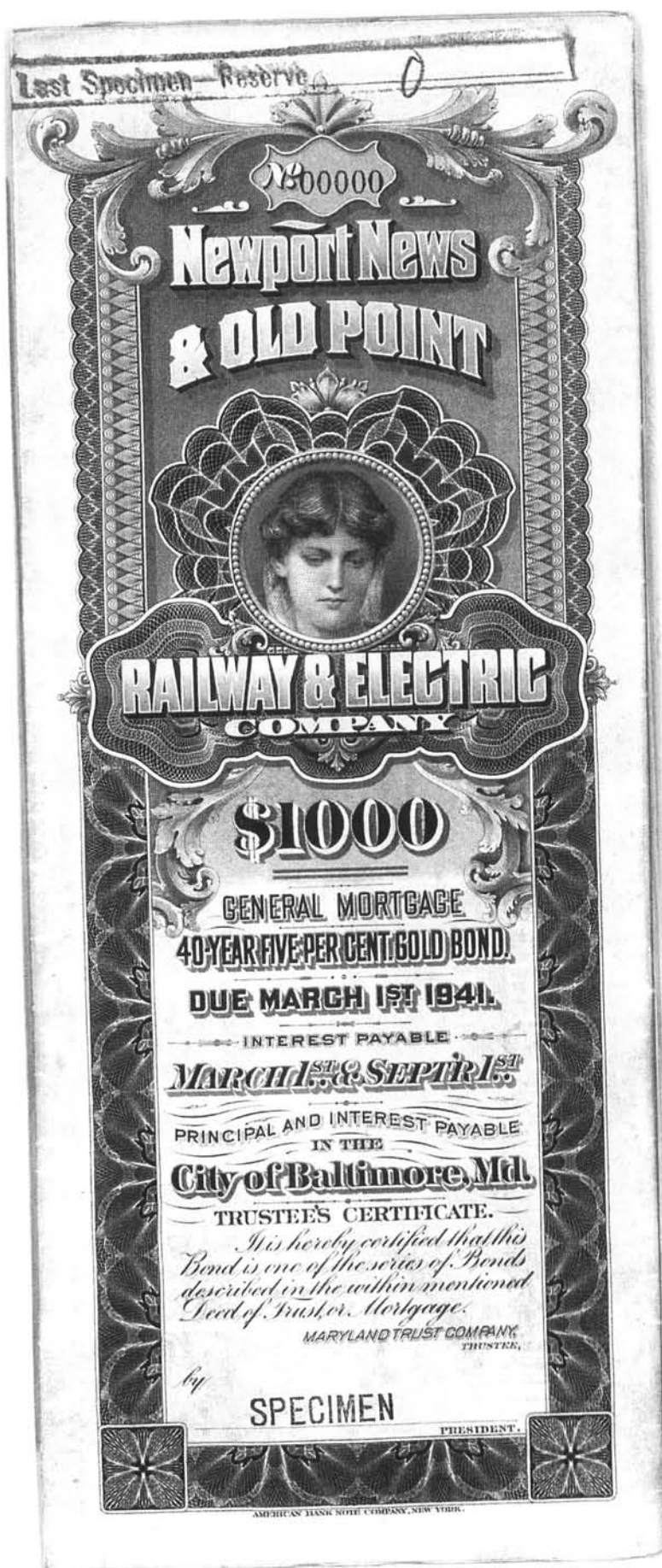
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**Comprehensive Catalog of Military Payment
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Fred Schwan \$54.95



engrave a modeled version of *Clotho's* head. (For more information on S. Oyama, see Gene Hessler's and my articles in the *International Bank Note Society Journal*, Vol 40, No.2, 2001.)

The portrait was engraved in 1894 and entitled *Reverie* (Figure 8). She has a drape from the back of her head, and is clothed, which was not the case with *Clotho*. The portrait was well used, on Brazilian bank notes (P103-109 faces; P65 back) (proof without tint of P109 shown in Figure 9), Canadian bank notes (\$50 Merchants Bank of Canada, 1903 and 1917, PS1159 and PS1170), and various securities (one is shown in Figure 10 at left). *Reverie* was even used in 1973 on "Consumers' Friend Saving's Money," apparently a bonus points marketing program for which American Bank Note Co. prepared currency-like engraved notes.

THE COLUMBIAN BANK NOTE Co. was founded in Chicago by people who left Western Bank Note after its sale to American in 1901-1904. The designers at

Figure 10 (slightly reduced) Outside panel of Newport News & Old Point Railway and Electric Company \$1000 bond, 1901, by American Bank Note Company, using *Reverie*.

Columbian evidently had their eyes on *The Fates* too, as they probably saw the use that Homer Lee and American had made of the painting. They pulled several vignettes out of the artwork. One is a modified *Clotbo*, by herself, (clothed, of course), vignette no. 5449 (Figure 11 left), but most often used with two side pieces, seated females resting their chins on their hands, vignette no. 6138, shown here on the Gamble-Skogmo stock certificate (Figure 12 below).

They made even more use of *Lachesis*, seating her by a globe, with Greek temples and trees in the background, but otherwise very much the way she is pictured in the painting, vignette no. 5579, shown on the Lima Cord and Sole Co. stock certificate (Figure 13 following top). Vignette no. 5579 is more commonly encountered on the White Stores Inc. and Dunhill International Inc. stock certificates. Another version of *Lachesis*, with alterations in her hair, is vignette no. 6320, where she is seated in front of waterfalls with city and industry scene backgrounds (Figure 14 following bottom).

UNFORTUNATELY I AM AWARE of virtually no engraver information about Columbian Bank Note vignettes. From comments made by my late friend Russ Esty, who was with Columbian Bank Note before the merger with Security in 1957, I understand that freelance engravers



Figure 11 (left) Die proof of *Clotbo* figure, by the Columbian Bank Note Company, no. 5449.

Figure 12 (below) Stock certificate of Gamble-Skogmo, Inc., by the Columbian Bank Note Company, using a vignette with the *Clotbo* figure in the center.



V3321

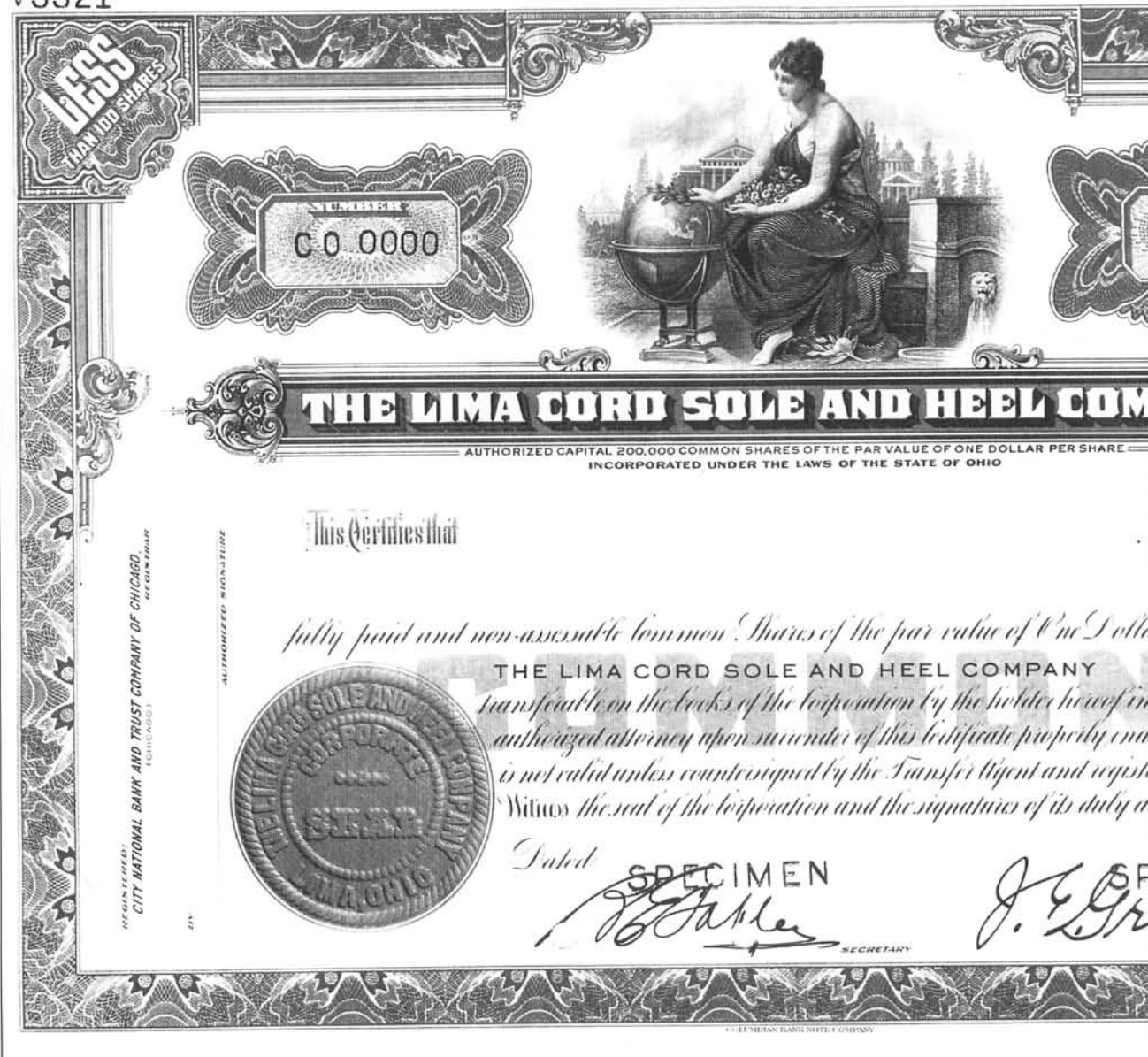


Figure 13 (above) Stock certificate of The Lima Cord Sole and Heel Company with Columbian Bank Note vignette no. 5579, the *Lachesis* figure.

Figure 14 (right) Die proof of Columbian Bank Note vignette no. 6320, with the *Lachesis* figure surrounded by a different background and with a different arrangement.



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Figure 15 (above) Die proof of *Clotho* figure, probably by the Security Banknote Company.

Figure 16 (opposite) Advertising broadside of The Strobridge Lithographing Company, circa 1900, in the form of a bond, with an altered version of Homer Lee's vignette *Prosperity*. Strobridge has made some minor changes, probably to avoid copyright claims.

did much of the picture engraving work. In any case, I have no indication of who engraved the Columbian versions of *The Fates*.

ANOTHER ENGRAVED VARIATION on *The Fates* I know only from a partial proof. In my collection is an engraving of a *Clotho* figure (Figure 15 left), obviously a die made from an altered roll, that is not similar to the Columbian Bank Note *Clotho*. I suspect that she is a Security Banknote *Clotho*, but I am not sure, and from the notation on the proof it suggests that "Burlington," probably the textile firm, may have used this engraving. Security Banknote, by the way, was the Philadelphia firm that merged with Columbian in 1957 to form Security-Columbian Banknote, and later changed its name to United States Banknote Corp.

The final use of *The Fates* on security documents comes from a prominent lithography firm, The Strobridge Lithographing Company of Cincinnati, Ohio. The advertising piece shown in Figure 16 opposite, laid out in the form of a bond, has a version of *The Fates* at the bottom. It is very similar to, but slightly different from, the Homer Lee version of *Prosperity* (compare it with Figure 3). In all likelihood, this piece was a product of the 1890s, and a conscious copy (appropriation would probably be the appropriate word) of the Homer Lee vignette, something lithography companies did regularly with bank note vignettes.

When Paul Thumann finished his painting he probably never imagined that his figures would grace countless thousands of security documents.

Sources

NYPL Artist Files; G.F.C. Smillie engraving records; American Bank Note Company engraving records; *The Life and Work of Thomas F. Morris 1852-1898*, by Thomas F. Morris II; *The Standard Catalog of World Bank Notes*, Vols. I and II, by Albert Pick; conversations with Fred R. Esty, early 1990s. All illustrations are from the author's collection. ❖

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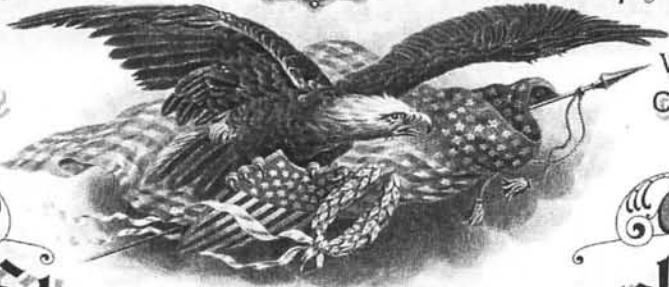
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Scrip Recalls 'Maryland in Liberia' Movement

By Jim L. Watson

THE COLONIZATION MOVEMENT STARTED IN America in the late 18th century. The plan was to give the free Blacks in the country a colony of their own in a tropical climate, where they could prosper and have an opportunity to succeed without the prejudice that existed in the United States. Both whites and blacks were divided on the issue for a variety of reasons. The majority of Americans were against slavery. Most felt that it was morally wrong, and many were convinced that it was also unconstitutional.

The American Colonization Society (ACS) was formed in 1817 for the purpose of sending Free African Americans to Africa, and helping them form their own country. In 1822 the Society established a Colony on the west coast of Africa. In 1847 the colony became the independent nation of Liberia. Like the United States, Liberia used dollars and cents. Since so many of the emigrants were engaged in

agriculture, early Liberian currency tended to depict farm animals and agricultural scenes.

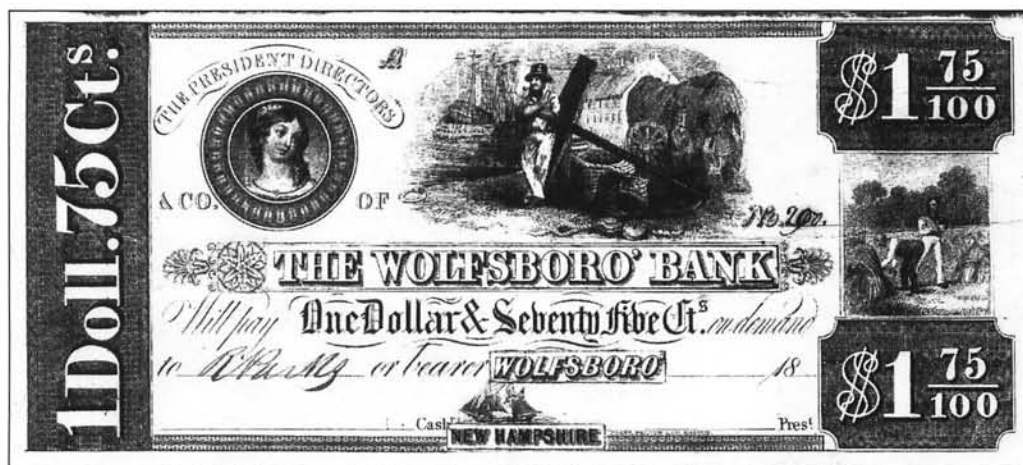
During the 1830s the Maryland Colonization Society, which had broken away from the ACS established its own colony, called "Maryland in Liberia," and issued its own cur-



rency. This currency was printed in black and golden brown on thin pink woven paper which bears no watermark. The full face value of all the notes in the original printing in 1837 was \$1,450.00. All or nearly all the notes were redeemed. In 1885 one hundred notes of each denomination were reprinted and the plates destroyed. Reprints, issued in sheets were not signed. Reprints are on watermarked paper. One hundred of these were given to members as souvenirs.

The Pick Catalog does not give any prices for either the issued notes or the reprints. I was able to pick up a reprint of the 10-cent note at a paper money show in St. Louis. Since then, I have found three more of the notes, and now only lack the 5-cent note to have a complete set. Pick also states that reprints carry the watermark containing the 1885 date. The only watermark I

New Hampshire Bank Notes Wanted Also Ephemera



I am continuing a long-time study on currency issued by banks in New Hampshire, including state-chartered banks 1792-1865, and National Banks circa 1863-1935. Also I am studying colonial and provincial notes.

I would like to purchase just about anything in colonial and provincial notes, nearly everything in state-chartered notes, and items that are scarce or rare among National Bank notes. I am not seeking bargains, but I am willing to pay the going price. I will give an immediate decision on all items sent, and instant payment for all items purchased.

Beyond that, I am very interested in ephemera including original stock certificates for such banks, correspondence mentioning currency, bank ledgers, and more.

With co-author David M. Sundman and in cooperation with a special scrip note project by Kevin Lafond, I am anticipating the production of a book-length study of the subject, containing basic information about currency, many illustrations including people, buildings, and other items beyond the notes themselves, and much other information which I hope will appeal to anyone interested in historical details. All of this, of course, is very fascinating to me!

Dave Bowers

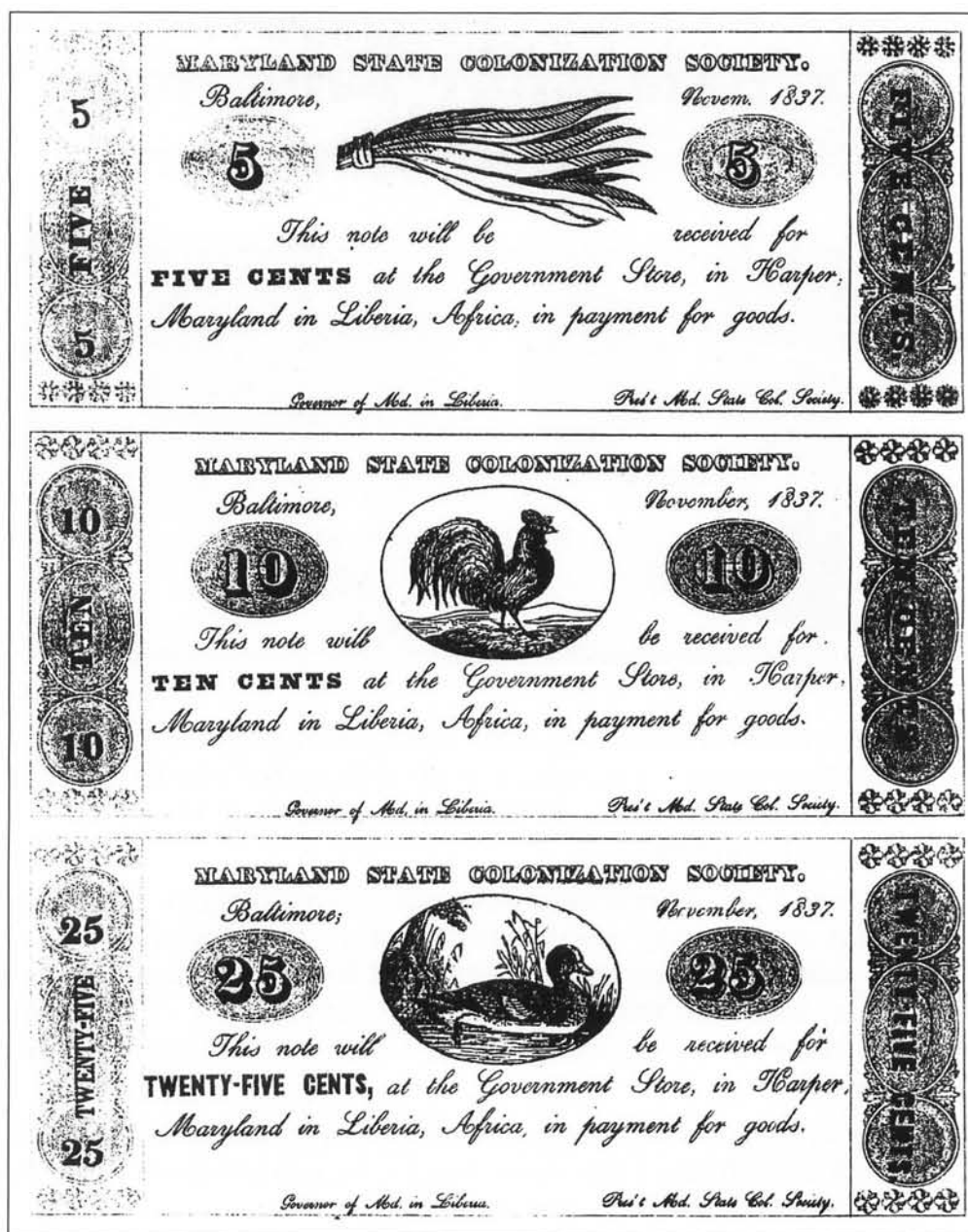
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E-mail: barndoor@bowersandmerena.com



have found to date is the name C. Dalton vertically on the left side from bottom to top.

So far I have only found one person who says he has seen one of the issued notes. He is Mr. Denwood Kelly, the retired curator of currency for the Maryland Historical Society. Mr. Kelly described it as "a rag."

The Maryland Historical Society was able to help me with a great deal of background information. They also retain one set of the original uncut sheets of the reprints. They also supplied me with a copy of the sheets for this article. Their website has a great deal of information on the founding of Liberia and the American involvement.

Acknowledgements:

Denwood Kelly, Claud Murphy Jr., Hugh Shull.

Bibliography:

Boncroft, Frederick. *Essays on the Colonization of American Negroes from 1801 to 1865.*

Library of Congress. *African-American Mosaic.*



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A 30-year Note Odyssey

Discovering El Banco del Estado de Chihuahua

ONE OF THE MOST SUPREMELY BEAUTIFUL SERIES OF bank notes ever created was the revolutionary issues for El Banco del Estado de Chihuahua. The bank never existed other than in concept, and the notes never circulated as legitimate money as far as I can determine. They were apparently designed as currency to be issued by Pancho Villa's government while he was the self-appointed governor of Chihuahua following his consolidation of power there during the revolution.

The series consisted of 1-, 5-, 10-, 20-, 50-, 100- and 500-peso notes made by the American Bank Note Company which bear an authorization date on the face of December 12, 1913. The one peso apparently was added to the series near the end, and never went into production.



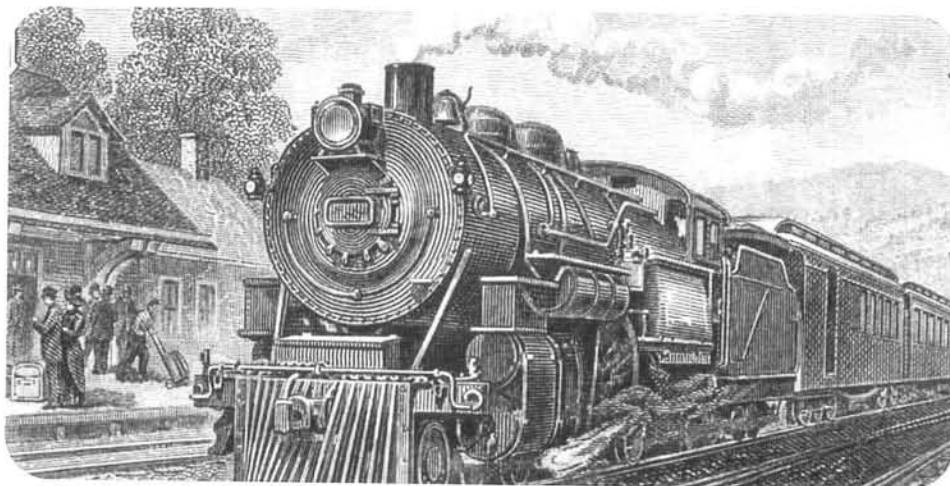
THE PAPER COLUMN

by Peter Huntoon

Uniface proofs of the face and back of the one peso were sold from the American Bank Note Company holdings, and this is the only form of the note that I have seen. Pencil on the backs of the proofs are notations such as "sent out March 1915." In contrast, the specimens of the other denominations that I have seen bear October, 1914, rubber stamped dates in the margins.

The 5- and 10-peso notes were easily obtainable from dealer junk boxes singly for a dollar or two, and probably cheaper by the dozen, when I first started collecting in the early 1960s. I got hooked on the series when I fell for a fabulous 10 peso in Hal Birt Jr.'s Glass Shoppe Coins in Tucson. The vignette of the cattle drive on it captured that western scene like nothing I had ever seen. The orange back representative of the promised gold backing was

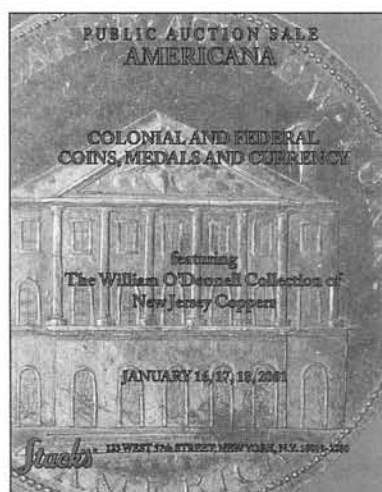
Right and following: Detail of 50-peso, 10-peso, 20-peso and 5-peso Banco del Estado de Chihuahua notes showing the superb, self explanatory central vignettes on what would have been the work-horse denominations in the series.



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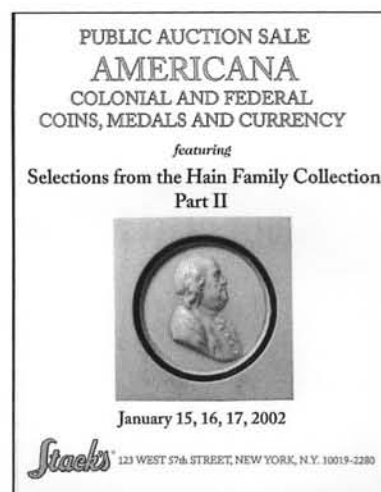
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Above and below: 10-peso face with a vignette that perfectly captures the essence of ranching.

also a knockout. The classic rendition of the eagle capturing the serpent, which is one of the most common motifs on Mexican issues, was icing on the cake. I have a weakness for any gold or orange backs, so the face and back were competing for top honors.

The notes are colorful. The central counters on either side of the face vignettes are multi-colored. The serial numbers are red. The uniform orange backs are outstanding both in color and for the quality of the lathe work which is pleasingly different on each denomination. The backs of the 20s are rendered more stunning by not being surrounded by a rectangular frame. The imbedded V in the 5s on the back of the 5s is superior.

The central vignettes evoke human industry, optimism and power. The 100 with its imagery of industry and the 500 with education and plenty reveal that whoever selected these designs had grand visions and aspirations. I have been told these same vignettes have made their way to other security documents, but I haven't made an attempt to track them down.

I soon discovered the other denominations after I got my 10.

Even in the mid-1960s, the higher denominations were selling for more than \$10 for nice specimens so I tentatively collected the 5 through 50, and stopped at the expensive 100 and 500. The ones I had were works of art more than anything else, so I framed them and hung them on the wall for 30 years.

This was one series that I wanted to learn about. The revolutionary story behind their issuance had to be significant, and the plight of the notes themselves had to be interesting. Obviously, the notes I was seeing were unissued remainders. Over the years, mentors like Hal Birt Jr, Gary Snover, Ken Tabachnick and many other dealers, have filled me in on the series as best as they could.

The problem is that the details have clouded with time, and the people who were on the front lines of this

numismatic story are gone. I figured I would stumble onto the full story one day and write an authoritative piece, but that hasn't happened.

The issue never saw circulation because the movement supporting the concept of the bank and that segment of the Mexican revolutionary economy failed. It is doubtful that shipments of the notes reached Chihuahua. I don't even know that the American Bank Note Company was fully compensated for



the production of the notes.

The notes did, of course, survive, and were sold or dumped. They appeared first in great profusion in two disparate settings.

Many were used as movie money in 1940 vintage films -- maybe even 1930 films -- however I don't recall seeing many movies that employed El Banco notes. Far more commonly used were the El Estado de Chihuahua notes. Never the less, El Banco notes were apparently used widely, but the series had the disadvantage of having no 1000-peso. Some studio had crude 1000s printed for it which, if my memory serves me well, was accomplished by adding zeros to the 10-peso note. The faces of the spurious 1000s that I have seen are unattractive being offset printed in blue ink. You occasionally can find them for sale.

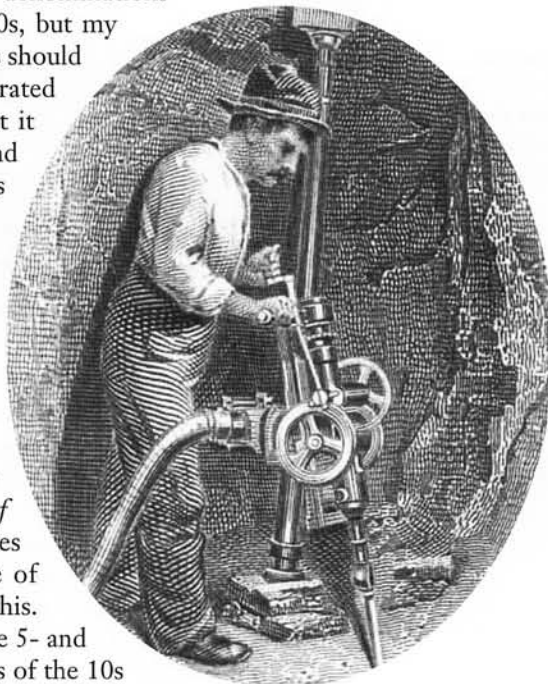
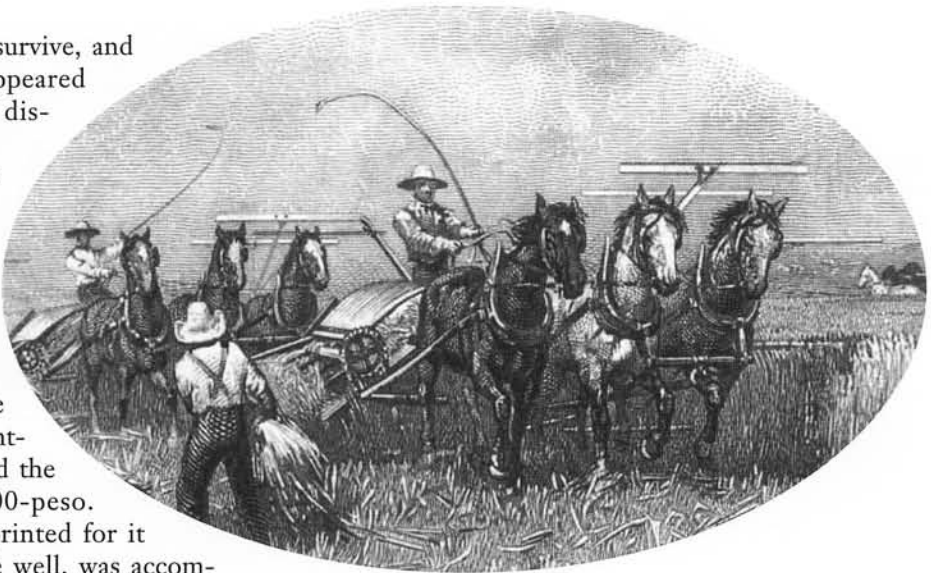
The other place the notes turned up was in border towns where American tourists were handed specimens by hawkers as they crossed the border. These contained advertisements overprinted on the backs. These handbills are particularly interesting, and highly collectable by specialists. At least they were used in commerce! They seem to have been utilized in several border towns, always, to my knowledge, with advertising for south of the border businesses. I believe they were used particularly heavily in Juarez and Tijuana. Naturally the survivors are somewhat dog eared because they were "used."

I understand from dealers that only the low denominations were used as handbills. I have observed 5s and 10s, but my exposure to them is very limited so my observations should be considered incomplete. A nice example is illustrated here. It exhibits a rather sloppy cut revealing that it was probably trimmed from the sheet using a hand operated paper shear after the advertisement was overprinted.

The notes have the overprinted signature of the cajero (cashier), but the signatures for inventor del gobierno (controller of the government) and gerente (manager) are blank. Naturally, some people got their hands on some, added signatures and attempted to spend them. Occasionally you can find a signed specimen, and they are usually circulated or made to look circulated. Colin Bruce's *Complete Encyclopedia of Mexican Paper Money* claims that some of the notes were issued by revolutionary forces in the state of Chihuahua, but I have been unable to substantiate this.

The notes were printed in sheets of four. The 5- and 50-peso sheets are very common. About five sheets of the 10s are reported, and only 1 each of the 100- and 500-, according to Ken Tabachnick. No 20-peso sheets have turned up.

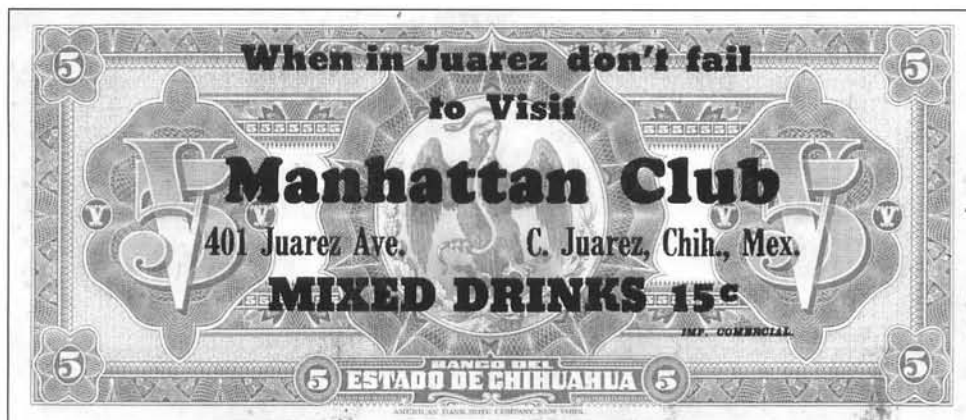
I have a couple of the 5-peso sheets. The serials on these advance by 1000 in the following succession: upper left, lower left, upper right, and lower right.



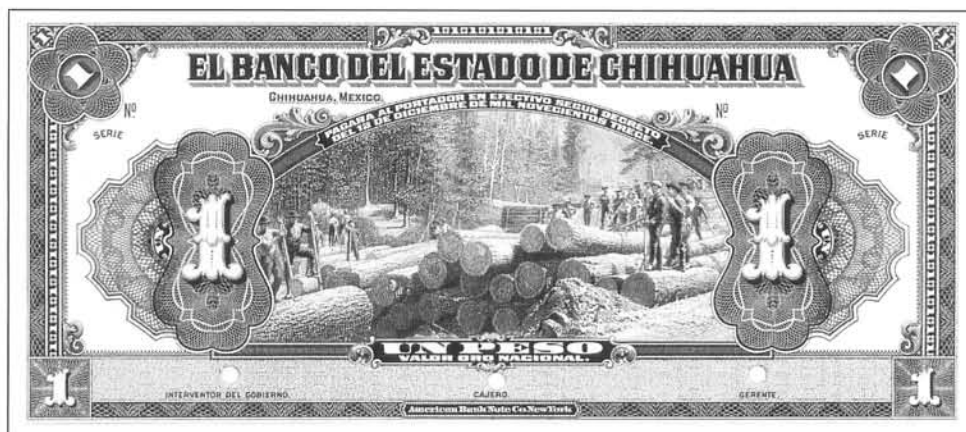
Spectacular back of the 20-peso which is the only denomination without an enclosing rectangular border. All the backs were printed with vivid orange ink.



Representative advertising handbill created from the unissued specimens. These were handed to tourists as they crossed the border.



1- peso proof prepared for approval in March, 1915. This design did not go into production as only a few uniface proofs of the face and back are known.



The primary source for the sheets seems to be escapees from the movie industry. One dealer told me he bought about 80 sheets of 50s in the 1979-80 period from a movie source. A year later the same source sold him 45 sheets of 5s. Dealers were also finding sheets in Tijuana in the 1960s that had escaped overprinting as handbills.

A few sheets of specimens of each denomination, except the one peso, appeared in the great sale of the American Bank Note Company holdings several years ago. Most if not all of these were cut. I happened on a dealer of foreign currency at a major show who displayed in his case a set consisting of the 50, 100 and 500 that were cut from the specimen sheets. It struck me that this was a once in a lifetime opportunity to get all the denominations I hadn't obtained from the regular printings, and that they were pristine to boot. That purchase was a "no brainer," and at the time they seemed to be priced just a bit above what the regular notes were going for. I asked if he would look for the lower denominations for me, and left my name and address. I was delighted to

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Face of the elusive 100 peso note.

hear from him several months later that he had secured the lower denominations for me. I was actually more surprised to find someone who actually followed up on such a "want" request. Naturally I bought his set of low denominations as well.

That completed the set for me, or so I thought. Then in August, 1996, I was stopped up short at Ponterio's table, probably at the ANA Convention. As I hurriedly glanced in their case, the uniface face of the one peso screamed for attention. Its significance sank in so rapidly, I was startled. The uniface back was in the same holder. Too bad, now what had begun as a no cost fancy over a spectacular 10-peso note 30 years before was going to cost me some real money. I purchased the thing at a multiple of what all the rest of the other pieces had cost combined.

Now I was a "mature" collector of El Banco del Estado de Chihuahua pieces. I learned of Ken Tabachnick at a Long Beach show a couple of years ago, and got one of the advertising pieces from him, plus an enthusiastic earful of information.

As with everything, the El Banco del Estado de Chihuahua notes have become less available with the passage of time. They are still in a few dealers stocks ready to be collected by connoisseurs of the beautiful and interesting. There is less carping these days about their not having been used as money. The dealers who do have them rarely throw them in junk boxes and only have a few, usually mishandled, pieces for sale. The high end proofs and specimens seem to be worth respectable money these days, and I never see them for sale. Intact hoards of sheets seem to be a thing of the past. However, the sheet collectors are still hoping a group of the 20s will rain down someday.

Face of the scarce 500-peso note.



I'd like to think I am done with this series now! However, I don't know the full story of the failed issue of these wonderful pieces, how or when they made it to the movie sets as prop money, or how or when they made it to the border towns as handbills. Many of the dealers who knew important parts of this story have died. If you know any details that correct or add to what appears here, I would thoroughly enjoy hearing from you. Give me a call, (702) 294-4143, or drop me an e-mail, peter.huntoon@att.net. ♦

Armenian Commemorative Bank Note Marks 1700th Anniversary

By Bagrat Sahakyan

IN SUMMER 2001 THE REPUBLIC OF ARMENIA RELEASED ITS NEWEST bank note into the circulation -- the 50,000 Dram. At a first glance this event drew our attention, because it was dedicated to such an important date: the 1700th anniversary of the adoption of Christianity in Armenia as the state religion. It is known that in 301 A.D. Armenia was the first country in the world which declared the Christianity as its state religion.

After the crucifixion of Christ, the Apostles Bartolomeo and Theodor came to Armenia as Christ had promised Armenian King Abgar to preach Christianity and cure the sick. After Abgar's death the throne was passed to Sanatruk who was very negative and cruel to Christians and to Christianity in general. He began persecuting them and the Apostles were killed.

So it was in 301 A.D. when St. Grigor the Illuminator who was released after a long time in Khor Virap's prison cured the Armenian King Trdat Third. After that the persecutions of Christians ceased and St. Grigor the Illuminator began to preach Christianity freely.

As a result in 301 A.D., by the order of same King Trdat Third, Christianity was adopted as state religion in Armenia.

The new bank note commemorates this. It was printed by "G&D" Company (Germany) on high quality 100% cotton paper. The notes were covered after printing with a special antisoiling layer. The watermark shows an Armenian crest. Two electrotypes left and right of the crest reflect the little crests.

The hologram shows the symbol of the celebration of 1700 years of Christianity in Armenia with microtext. The note also has a metallic windowed security thread with clear text. A raised, tactile ink layer was used on several parts of the front of the bank note. The note also has a gold metallic element with raised symbol of the celebration of 1700 years of Christianity in Armenia. This very beautiful bank note has micro lettering at various places, three-dimensional printed elements etc. ♦



Gypsy Women

By Gene Hessler

“IN A QUAIN T CARAVAN THERE’S A LADY THEY CALL the gypsy” is the opening line from *The Gypsy*, a popular song from the 1940s. Another song, *Golden Earrings*, included the words, “. . .when your love wears golden earrings, love will come to you.” Movies from that period often stretched the story to include a gypsy camp where an attractive starlet, skin darkened by makeup, with huge earrings and what looked like pounds of jewelry, danced around a campfire.

When I look at engravings of females that suggest the gypsy image, I am reminded of those movies from my childhood, old movies that now appear on cable television.

The *Gypsy Girl* (below) on the Mexico 5 Pesos (P21) was engraved by Robert Savage (1868-1943). This has always been one of my favorite engrav-



ings of a female. When the size of Mexican paper money was reduced, Sidney Smith (1901-1942) engraved a smaller version of the *Gypsy Girl*; it appeared on the Mexico 5 pesos (P29, 34, 57 & 60).

There is no documented source for the preceding images. For years, more than one writer said the likeness of this *Gypsy Girl* (*Gitana*) was based on the French actress Gloria Faure. A letter dated September 1, 1976, to Professor Guadalupe Monroy from American Bank Note Company (ABNCo) included the following: “That beautiful lady’s effigy was originally reproduced on September 27, 1910, on an engraving by Mr. Robert Savage which was assigned number V43485 under the title “the ideal head of an Algerian girl”,

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having been kept among our vignette inventories to be used in the future. On April 1st, 1925, it was used for the first time on the [Mexican] five-peso note" (Chavez 148).

Miss Faure was not living in Mexico until 1925, 15 years after Robert Savage engraved the first likeness (Chavez 151). Consequently the actress, it appears, was not the inspiration for this lovely engraving.



Gypsy Woman or *Haidee* (above) was engraved by Sukeichi Oyama (1858-1922), the Japanese engraver who was employed at ABNCo from 1891-1899. (See the *IBNS Journal*, Vol. 40, No. 2 for articles about Oyama by Mark Tomasko and Gene Hessler.) This portrait can be found on the following: Hawaii, \$5 (P6); Mexico, 50 pesos (PS455 & 456); Canada \$20 (PS627); and the Southern Railway \$1000 registered bond, 1894. (Illustrated in "A Review of the Work of Sukeichi Oyama for the American Bank Note Company, 1891-1899" by Mark Tomasko, *IBNS Journal* Vol. 40, No. 2, p. 17). A smaller version of *Haidee* was used on bond coupons; it was engraved by F.L. Siebert and finished by Robert Savage.

Charles Skinner (1841-1932) and Frederick Pauling (1874-1939)



engraved the *Gypsy Girl* found on the following: Mexico 5-1000 pesos (backs) (PS101-107) and Brazil 200 mil reis back (P76) shown above. A smaller version appears on bond coupons for Cuba (1925) and Peru (1926); the engraver is unidentified. Charles Skinner, one of the legendary portrait engravers at ABNCo, was Frederick Pauling's uncle.

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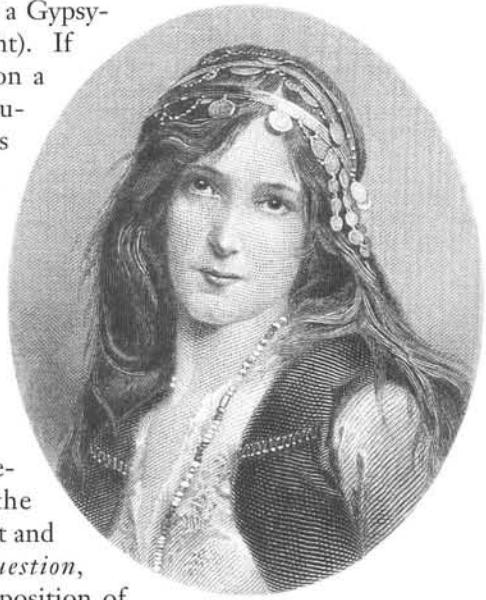
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There is another engraving of a Gypsy-like image by Charles Skinner (right). If this attractive portrait were used on a bank note or other security instrument, I have not seen it. There was a story about Evelyn Nesbit in *Smithsonian* magazine (February, 1999, page 26). One of the photographs there resembles the engraving so much, I can only assume the engraver made a few alterations, or there is at least one other photograph with a similar pose in the same costume.



Charles Dana Gibson, the creator of the timeless portrait of the Gibson Girl, sketched Evelyn Nesbit and titled the image *The Eternal Question*, because of the question mark-like position of her hair. Ms. Nesbit was the subject for the book and movie, *The Girl in the Red Velvet Swing*, which documented her scandalous life begun in her underage years.

Jaroslav Cermalk (b. Prague August 1, 1831, d. Paris April 23, 1878) is the artist of *Wife of the Outlaw*, identified as Elena Psance in the Prague National Gallery. This oil painting of a Gypsy woman was done in 1860. Cermalk studied at the Prague Academy under Christian Ruben in 1848, and from 1850-55 in Antwerp, Brussels and Paris. He was one of the first Bohemians to demonstrate Belgian and French influences. When *Wife of the Outlaw* (Elena Psance) was engraved by Josef Sahula, the engraver called it *Montenegro Woman* (right).



In his work Cermalk often depicted the resistance to Turkish rule in the southern Slav region. Cermalk's work "was a typical mixture of certain trends of late Romanticism, French realist painting of the 1850s and the Barbizon landscape school" (Turner p. 344).

Specific tastes, aromas and sounds often trigger something in our memory, which reminds us of something from our past. When I see female gypsy images I hear the lyric "In a quaint caravan there's a lady they call the gypsy."

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Panama's Arias or Seven Day Notes

By Joaquin Gil del Real

PANAMA OBTAINED ITS INDEPENDENCE FROM COLOMBIA by separating on November 3rd, 1903. Article 116, of the original Constitution of 1904 reads: "The power to issue legal currency, of any kind, belongs to the nation, and is not transferable. There shall not be private emitting banks." Article 117 says: "There shall not be in the Republic any paper money of forceful acceptance. Therefore any individual may refuse all bills or promissory documents that do not inspire confidence, be it of official or private origin".¹

Dr. Arnulfo Arias was elected president in 1940, and held a popular plebiscite in December of that year whereby a new Magna Carta was adopted, effective the following January of 1941. In this new Constitution, Article 156, which replaced those mentioned above, reads: "The power to issue fiduciary currency of forceful acceptance, of any kind, belongs to the State and is not transferable. The power to issue legal tender fiduciary currency belongs to the State, but may be transferred to private or official emitting banks, so long as those banks are under State control in all matters relating to the emission, in the manner prescribed by law." The following Article 157 reiterates: "There shall not be, in the Republic, any paper currency of forceful acceptance."²

With these changes, the road was open for Panama to have its own paper



Panama one-Balboa note (Pick 22). Bust of Vasco Nuñez de Balboa sculpted by William Clark Noble of the Philadelphia Mint for the 1931 Fractional Currency issued that year. Emerald green and black.



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Panama five-Balboa note (Pick 23). Statue of Indian Chief Urraca. The original is on display at Escuela Normal de Santiago. Blue and black.



money (coinage, on a par with U.S. currency, had been in circulation since 1904).

Although Dr. Aria's short presidency was not considered as a period of peace and tranquility for the country, it was characterized as an administration that promoted traditional folklore and all aspects of a nationalistic nature.³

Within this framework, on September 30, 1941, Dr. Arias, celebrating the first anniversary of his presidential mandate, addressed the nation and informed the country of the creation of the Central Bank of Emission of the Republic of Panama (Banco Central de Emision de la Republica de Panama) which would place into circulation the first paper money of the Republican period.

Upon assuming the Presidency of the Republic of Panama in 1940, Dr. Arias had found the fiscal situation in a very difficult position. The country was in arrears on the service of its external debt. Seeking to remedy the situation, in March of 1941, he sent the Comptroller, Augusto Arango, and the Minister of Finance, Enrique Linares, to New York⁴ to re-negotiate the external debt and other matters, such as: the purchase of radio equipment; information on Social Security programs; automobiles; road construction equipment and, in secret, to negotiate the printing of paper money for what would be the Central Bank of Emission of the Republic of Panama.⁵

Upon Messrs. Arango and Linares' return to Panama, on April 29, 1941, the Cabinet, approved an expense of B/35,000 to cover costs incurred in the printing of the paper money that would soon be issued by the Panamanian State.⁶ Having thus approved the printing of the paper money, in the third quarter of the year, the Administration of the country began to get nervous, inasmuch as the bills have not been received. On September 7, the Comptroller was sent to New York to "...try to hurry the shipment of certain materials ordered by the Government some time ago. . . ." ⁷

On the 24th of the same month, the Secretary General of the Presidency, Cristobal Rodriguez, wrote Arango, "His Excellency, the President, suggests I



Panama ten-Balboa note (Pick 24). Tower of Old Panama, founded August 16, 1519, and destroyed by Morgan January 28, 1671. Reddish tone and black.



write you, via air mail, on two important matters, appreciating the prompt attention that you may render same. Firstly, the matter of the fiat money; we are at the 24th and do not yet have news of shipment. . ." ⁸ Curiously, that very same day, the Minister of Finance, Enrique Linares, sent a memorandum to the President wherein he enclosed a specimen of the new paper money for him to have as a keepsake.

Panama is a small country where everybody knows everybody and everything. Already strong rumors abounded, which were such that in its issue of September 30th, *The Panama American* announced on its front page:

"Soon There Will Circulate Bills of the Bank of the Republic"

Also, the paper said that the bills were printed by the Hamilton Bank Note Company, in that there had been no publication of public bidding for printing of same. ⁹

That night, the President of the Republic, Dr. Arnulfo Arias Madrid, speaking to the country, on the first anniversary of his administration announced the creation of the Central Bank of Emission of the Republic of Panama, and the placing into circulation of its own paper money. This last was legally effected by Decree Number 6 of 30 September, 1941, which created the Central Bank of Emission and empowered it to issue legal tender paper money.

The Bank was to be managed by a Board of Directors composed of:

President: Enrique Linares Jr.
 Vice-President: E. de Alba
 Director: G.A. de Roux
 Director: Jose A. Zubieta
 Director: Dr. Juan Lombardi
 Secretary: M. de Jaen Jr.

To guarantee the emission of paper money, Article 4 stated: "For each Balboa issued and in circulation, the Bank should maintain a real and effective reserve of nine hundred eighty seven and a half milligrams of gold nine hun-

Panama twenty-Balboa note (Pick 25). Cart with sugar cane drawn by oxen. Orange and black.



dred thousandths fine (987.5 and 0.900), or its equivalent in money of the United States of North America, taking into consideration the Monetary Convention between the two countries." Article 8 stated: "The Bank is obligated to convert into silver Balboas or legal coin or money of the United States of North America for its nominal value any national paper money tendered by any bearer." ¹⁰ The following day, October 1st 1941, Decree Number 103, ordered the placing into circulation of paper money as follows:

720,000 one Balboa bills	B/ 720,000
100,000 five Balboa bills	500,000
100,000 ten Balboa bills	1,000,000
25,000 twenty Balboa bills	500,000
Total	B/ 2,720,000

The same Decree gave the specifications and characteristics of the bills to be issued. ¹¹

On October 2nd 1941, the first and only paper money bills of the Republican Era began to circulate. The President, accompanied by his Minister of Finance, was the first client of the Banco Nacional. Rene Orillac, Cashier of the Bank, delivered number 000,001 of each series to the President. ¹²

These new bills were of the same size and dimensions as those of the United States. The 1-Balboa has the bust of Vasco Nunez de Balboa, which is the same as the one on the fractional currency that appeared in 1931. It was the work of sculptor William Clark Noble of the Philadelphia Mint. Its general coloring is emerald green. On the 5-Balboa note we find the image of Urraca, which is a reproduction of the original statue on exhibit at the Escuela Normal de Santiago de Veraguas. Its colors are blue. The tower of Old Panama, in a reddish tone, is portrayed on the 10-Balboa bill, which is yellow and green. Lastly, a large cart pulled by oxen adorns the 20-Balboa note in an orange setting. On the obverse of all the bills, the Coat of Arms of the Republic of Panama is displayed with the motto, *Honor, Justice, Liberty* (which



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BRIEF HISTORY OF THE "BILLIARDS"

El 18, de Octubre de 1910 ascendió al poder el Doctor Arnaldo Arias. En su programa de Gobierno figuraba una comisión de ballets. En Bama, casi al mismo tiempo comenzó a circular aquí un pequeño periódico denominado "Tinamú", y el Subsecretario Nacional, del que se retiró el distinguido compositor de don Manuel María Valdez, quien aprovechó su estada en México en el carácter de Ministro de Panamá para hacer un estudio minucioso del asunto.

Narcís Valdes, quien apareció en el estudio en silencio en el carácter de Ministro de Panamá para hacer un estudio minucioso del asunto.

El Licenciado Valdes publicó en el mismo folio varias opiniones favorables de distinguidas personalidades del exterior, y de los panameños enterados en esta materia:

don Augusto Guillermo Arango, Contralor General de la República, y don Reimundo Ortez Viera, Diputado a la Asamblea Nacional.

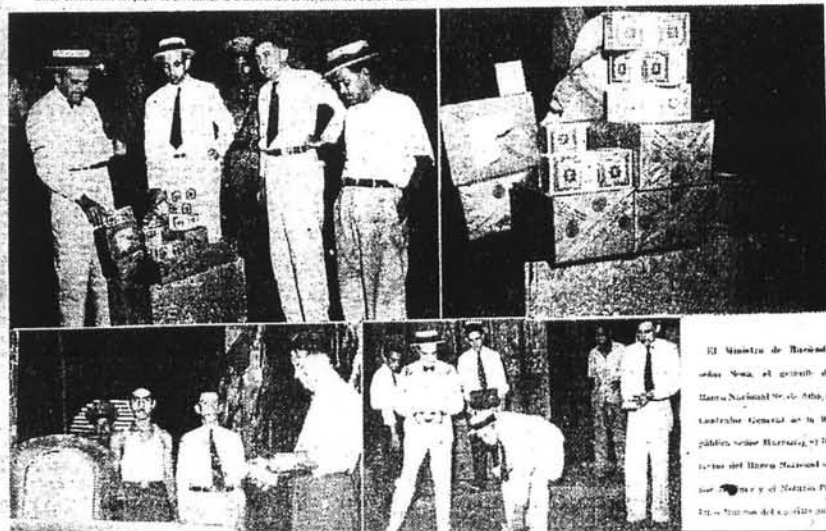
El 20 de Septiembre de 1911, mediante Decreto Número 6, fue creado el Bazar Central de Emisión de la República de Panamá, el cual se autorizó para emitir papel moneda como moneda fiduciaria nacional de curso legal por un importe no mayor de seis millones de bollosas (S/6,000,000.00). Entre los directores (Directores de los Bancos los vigentes entonces): Enrique Llanes Jr., Ministro de Hacienda y Tesoro, y Presidente de la Junta Directiva, don Florentino de Alba, Gerente del Banco Nacional de Panamá; don Guillermo A. de Roca, Administrador de la Caja de Ahorros, don José Antonio Zubizar, del comercio capitalino, y el Doctor Juan Lombardi, médico distinguido, de ascendente peruano.

Al día siguiente, a ora el fin de Octubre de 1910, se reunió la Directiva del nuevo Banco del Estado y ordenó la emisión de \$272,000.00 en billetes de diez, veinte, diez y veinte billones, cuyas características generales fueron acordadas; pero más prácticamente no fue sino la legalización de lo que ya el Gobierno había hecho, según han sido.

32-30 de febrero de 1981, la actual administración, mediante *Decreto* No. 14,500, eliminó al Banco Central de El Salvador y ordenó la nacionalización de los Billetes "Burec", los que ya habían sido recibidos por su casi totalidad. Es de advertir que no salieron a la circulación todos los entregados en tal fin y que en consecuencia quedaba en manos de los particulares más mil millones (1176.800.00) en dichos billetes.

Conviene tener en cuenta que el Gobierno del Doctor Ariza ordenó la impresión de cinco millones de balboas en billetes, y que los billetes que continúan en circulación se disminuyen por la Junta Directiva del Banco de emisión. Llegaron al país durante de la zafra de aquel Presidente.

Están encargados del papel de presenciar la incineración el Gerente del Banco Nacional de Panamá, el Contralor General de la República y el Presidente de la Junta de Directores.



El Ministro de Hacienda,
donde se encuentra el
Haber Nacional de la Aduana,
el Centro General de la Re-
pública, según el artículo 119
del Poder Judicial de la
Federación.

had replaced the traditional *Pro Mundi Beneficio*.¹³

The day after the initial bank notes were circulated, the manager of the Banco Nacional, Eduardo de Alba, declared to the citizenry that the new bills were NOT of a forceful acceptance nature. At the same time he indicated that the following Monday, October 6, the bills would be available in the city of Colon. It is of historical interest that on October 7th, W.H. Kromer, Comptroller of the Panama Canal, issued circular Number 438, wherein he stated that Panama's new paper currency would be accepted in all agencies of the Canal Zone. This memorandum carried the approval and counter signature of Acting Governor Colonel J.C. Mehafee.

One week later, on October 9th, Dr. Arias was overthrown. It appears that he had left (he went to visit a girlfriend!) the country on a trip to Cuba, without the legal and proper authorization of the National Assembly. By virtue of this circumstance, all efforts related to the issue of Panamanian paper money ceased, and a chapter in the financial history of the Republic came to an end.

In collectors circles, this emission of Panama's paper money is referred to as the "Arias" or "Seven Day" bills, which are considered as one of the scarcest and rarest in the world. ¹⁴ This came about because of the Executive Decree Number 19, issued on December 30, 1941, whereby: ". . .Decree Number 6

Front page of the *Mundo Grafico* issue of June 20, 1942, with the story on the incineration of the Arias notes.



Officials gather to burn the "Arias," or "Seven Day," notes after Arnulfo Arias was deposed.



of 30 September by which the Central Bank of Emission is created is repealed and provisions for the incineration of the emission are dictated." ¹⁵ The incineration of Panamanian paper money took place in eight different sessions between June 13, 1942, and July 6th of the same year ¹⁶ in the shops of the Arts and Crafts School, then located on 13th Street, whose principal was Rodolfo Rivera. ¹⁷

Though Article 4 of Decree Number 6 of September 30, 1941, authorized: "...paper money for an amount not to exceed six million Balboas," only five million Balboas were printed. This last was verified upon incineration, in that the crates that contained those not authorized for circulation arrived after



Three of the supposedly incinerated notes that survive in collections today. Note the serial numbers.



the fall of Dr. Arias.¹⁸ The shipment of bills of the Central Bank of Emission of Republic of Panama arrived in a total of 34 crates, each of which contained four cartons with 24,000 bills each, with the exception of crate number 34, which held three cartons of 24,000 each. The crates from one to four were the ones that were opened and used for distribution of those bills authorized for emission to the public. These contained all or the 5-, 10- and 20-Balboa notes, and 144,000 of the 1-Balboa bills.

The incineration took place on June 13, 19, 21, 26, 27 and 29, and on the July 1st and 6th, 1942. Curiously, the Notarized Affidavit of July 1st, 1942, states: "We leave express written evidence that immediately before proceeding with the incineration, the following bills were retrieved and delivered to the Representative of the Comptroller, for safekeeping: of twenty Balboas, numbers 018570 to 018578 incl., of ten Balboas, numbers 017140 to 017149 incl., of five Balboas, numbers 035770 to 035779 incl., of one Balboa, numbers 113991 to 114,000 incl."¹⁹ Perhaps the Comptroller Office still has these bills in its custody? It would be interesting to know!

It is interesting to note that in our travels, we have met collectors and

have held in our hands 1-Balboa bills whose serial number is 589,210, in the collection of the Banco Nacional de Panama, numbers 589,126, 594,400 and 595,422, all in private collections. The Notarized Affidavit (Acta Notarial) of June 29, 1942, concerning the incineration of Panama's paper money which appears in the Report of the Ministry of Finance of 1943, pages 545 to 548, states: "...the third carton, number twenty-five (25) contained the sum of twenty four thousand Balboas (B/24,000) in bills or one Balboa each, series 576,001 to 600,000. . . ." ²⁰ To date we have not been able to find the official protocolization (copy) of that Affidavit.

For those interested in the emission of these bills, there are two major questions:

1. How much circulated? and
2. How many bills survived?

To answer the above we contacted Charlie Chan, Hercule Poirot and Sherlock Holmes, all of whom suggested: check the records and look at the numbers. So, we went to the Museum of the Banco Nacional and there found records of the serial numbers of those bills that were incinerated, which, together with serial numbers in the Notarial Affidavits more or less gave us our answer, which we believe to be about 90-97% accurate.

Here goes. . . In the penultimate incineration, on July 1st 1942, it was reported that 20-Balboa bills, numbered 003,001 to 025,000, plus 2,950 with various serial numbers, or 24,950 were burnt. The records at the Museum show circulated, but not incinerated up to number 000,997, by which we assume that 1,000 20-Balboa bills circulated. (In this series the following serial numbers are not accounted for: 002,003, 002,278, and 002,370.) The 10-Balboa shows a cremation from numbers 012,001 to 100,000, plus 11,900 mixed numbers, for a total or 99,900 incinerated. The numeration of circulated items goes to 011,986, by which we assume that upwards of 12,000 bills were circulated. For the 5-Balboas, the Acta Notarial indicates serial numbers 024,001 to 100,000, plus 23,800, plus another 50 for a total of 99,850 were sent to the flames. Museum records show a circulation of 24,000 bills. Finally, the 1-Balboa notes point out an incineration of bundles from 048,001 to 144,000 and 045,001 to 048,000, plus various for 40,750 which agrees with evidence in the Museum. Summing up, we can assume, with great certainty, that the following bills and amounts circulated:

1,000 Twenty Balboas	B/ 20,000
12,000 Ten Balboas	120,000
24,000 Five Balboas	120,000
45,000 One Balboa	45,000
Total that circulated	B /305,000

From the same sources we have concluded that the following numbers of bills were not incinerated and have survived, we hope, in some collectors hands:

Twenty Balboa bills	50	B/ 1,000
Ten Balboa bills	100	1,000
Five Balboa bills	150	750
One Balboa bills	4,250	4,250
Total available		7,000

NOTE: Since he did the original research, the author has maintained a register of all surviving serial numbers, strictly for curiosity and also for security purposes in case some items were to disappear. If any collector has a one Balboa bill within the 576,001 to 600,000 series and wishes a copy of the Acta Notarial that appears in the Report of the Minister of Finance, the author will gladly supply a copy for this interesting piece of history. You can contact me at 546 N. Niagara St., Burbank, CA 91505. All information is confidential.

END NOTES:

- ¹ Goytia, Víctor F, *Las Constituciones de Panamá*, Lifografía e Imprenta LIL, S.A., Costa Rica, (1987) page 391.
- ² Ibid, page 444.
- ³ Conte-Porras, Jorge, *Coleccion Numismatica Panameña*. Banco Nacional de Panamá, Biblioteca Jose Agustin Arango, *Boletin Cultural*, Volume V, Panama (1982).
- ⁴ *Gaceta Oficial*, Numero 8197, 30 de Enero de 1940.
- ⁵ Archivo Nacional de Panama, Administracion del Estado, Cajas de la Presidencia de Arnulfo Arias M (1940-1941).
- ⁶ Ibid.
- ⁷ *El Panama America*, 7 de Septiembre de 1941.
- ⁸ Archivo Nacional de Panama, Administracion del Estado, Cajas de la Presidencia de Arnulfo Arias M (1940-1941).
- ⁹ *El Panama America*, 30 de Septiembre de 1941.
- ¹⁰ *Gaceta Oficial*, Numero 8625, 4 de Octubre de 1941.
- ¹¹ Ibid, Numero 8642, 24 de Octubre de 1941.
- ¹² *El Panama America*, 3 de Octubre de 1941
- ¹³ *Gaceta Oficial*, Numero 8642, 24 de Octubre de 1941.
- ¹⁴ Grigore, Julius, Jr, *Coins & Currency of Panama*, Krause Publications, Iola, WI (1972).
- ¹⁵ *Gaceta Oficial*, Numero 8699, 8 de Enero de 1942.
- ¹⁶ Ministerio de Hacienda y Tesoro, Memoria 1943, pages 531-551.
- ¹⁷ *Mundo Grafico*, Segunda Epoca, Numero 470, 20 de Junio de 1942.
- ¹⁸ Ibid.
- ¹⁹ Ministerio de Hacienda y Tesoro, Memoria 1943, page 549.
- ²⁰ Ibid, page 547.

❖

Letter to the Editor**Cornish Separatists Circulate World Cup Note**

I AM A MEMBER OF SENETH Ian Stenegow Kernow (The Cornish Stannary Parliament) and would like to bring to the notice of all concerned with your society that, as a nation, struggling for our lawful rights as a national minority, we have produced what we feel will be a most valuable item.

This commemorative 500 Dynar note has been issued by the Cornish Stannary Parliament to mark the two hundred years since Richard Trevithick constructed the world's first passenger carrying motor car which made its pioneering journey in Camborne on Christmas Eve, 1801. This remarkable event gave rise to the well-known Cornish song, "Goin' Up Camburn Hill Comin' Down," recognised by Cornishmen the world over.

The word "dynar" appears in the 13th century Cornish *Ordinalia* miracle play. Line PC504 reads: "dhodh a della pypm cans dyner," which means, "he was owed five hundred dyner."

Each note bears its own unique serial number and has been impressed with the official silver seal of the



Parliament, thus adding to its appeal. This commemorative note is being marketed solely by Cornish Heritage on behalf of the Cornish Stannary Parliament.

For obvious reasons, only the reverse of the currency is herein attached, but I feel sure there will be great interest generated by this amongst your members / subscribers.

Sincerely yours,

Dr. Yowan (Johnothän) Ingram

Editor's note: Parties interested in this note can e-mail kernowbysvykken@yahoo.co.uk

❖

The PRESIDENT'S Column

By FRANK CLARK



I HOPE EVERYBODY HAD A WONDERFUL summer, and was able to add and spend time with their collections. I did by attending the International Paper Money Show in Memphis, and also by taking the "Military Numismatics Since 1930" course at the ANA Summer Seminar in Colorado Springs. The instructors were Fred Schwan and Joe Boling. What a great course, and a great time! I learned a great deal.

More and more paper money courses have been added to the ANA Summer Seminar. I recommend that SPMC members take those courses. Usually the paper money courses are taught by SPMC members. Besides the course I took, there were also courses on U.S. Large Size, detecting counterfeits, introduction to paper money, and several other courses. It is a week you will enjoy very much.

At the SPMC board meeting in Memphis last June, it was voted to raise dues accordingly: \$30 per year for regular U.S. membership, and \$600 for U.S. life membership; \$35 per year for a regular memberships in Canada or Mexico, and \$700 for a respective life membership; and \$40 per year for other for-

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"Current Issues Related to Paper Money Auctions"

eign country membership and \$800 for a life membership in this category with all dues payable in U.S. funds. Dues had not been raised since 1987. Reasons for raising the dues included that SPMC had held off on an increase in dues as long as possible, the Society's journal *Paper Money* has many more pages in it today than it did just a short while ago. Additional factors considered were rising postage rates and many more increases since 1987.

These dues increases begin with the dues notice for 2003. SPMC is still a good value. I'm sure you will get your money's worth of enjoyment and learning out of *Paper Money* each year. Bob Schreiner is starting to revive our library. That way maybe you can check that book out that you want to inspect before buying, etc. Also, though dues have been raised, it is good to realize that your officers, board of governors and appointees are not reimbursed anything for hotel, travel, food, etc. while attending the board meetings. This helps our bottom line immensely. ❖

Frank

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The Return of the Short Snorter

By Michael E. Marotta

Above: Ecuador 5 sucres signed by the Northern Indiana Aviation Museum crew of the Beech 18 Navy MC-45.

AS READERS OF THIS PUBLICATION KNOW A SHORT snorter is paper money signed by people who share a common experience. Millions of soldiers, sailors, airmen and marines learned about short snorters during World War II. After the war, the tradition faded quickly. Now, it is being revived at airshows where classic planes and warbirds fly in for a weekend to meet the crowds. (Editor's Note: a special "Short Snorter" topical issue of *Paper Money* was published last November)

There were many ways to create a short snorter. The crew of an airplane would swap notes the first time they crossed the equator, or landed on foreign soil. A wounded soldier going home would collect a bill from each of his buddies with their name on it. "When you get home, pal," they would say, "have a snort on me." A platoon, battalion, or company might be shipped out together and the men would pass their notes around, each one signing as many as he could. Snort snorter rolls grew as notes were taped or pasted to each other in long streamers.

Below: Northern Indiana Aviation Museum: Jake Ross, Janice Taylor, Lowell Farrand, John L. Wesley, Michelle Wantz.



During World War II, troops were often paid in the currency of the country they were occupying. Fighting in Europe, the Pacific, and Africa, they could be paid in Dutch guilders, British pounds, or French francs, as well as American dollars. As a result, short snorters often contain several kinds of banknotes.

Short snorters became "challenges." If you had served with someone and swapped short snorters and they ran into you again, you had to show the note or else buy the next round of drinks.

I scanned, archived, and returned a set of short snorters on French notes signed by Americans moving through Tahiti. They were not soldiers or sailors or marines, but civilian contractors. These consultants from North

American Aviation, Chance Vought, Bendix and other companies reported to the front to provide expertise in the maintenance, operation, and modification of their equipment.

Although soldiers and sailors knew short snorters, they were most popular among airmen because the tradition began in the 1920s among barnstormers. According to a September 26, 1984, story in *Coin World*, a pilot named Jack Ashcraft started the tradition in August, 1925, among the aviators of the Gates Flying Circus. The airshow had a supply of stage money. Ashcraft tricked Clyde Pangborn into signing two notes, one real, one play, and swapping them. Ashcraft came out ahead. Clyde Pangborn later flew into aviation history by crossing the Pacific nonstop with Hugh Herndon, Jr. Short snorters began a history of their own.

The Happy Bottom Riding Club: The Life and Times of Pancho Barnes, by Lauren Kessler substantiates this story. Florence Lowe Barnes learned to fly in the spring of 1928. She set a speed record and flew some cross country races. When Chuck Yeager broke the sound barrier over Muroc, Barnes was already the center of the social whirlwind there. In the late 1920s, Barnes and her friends used the "short snorter" dodge to take hotshot pilots down a few notches.

They would tell the egotistical victim that a select group of pilots wanted him to be member of the "Short Snorters." They asked him to sign a high-denomination note, a \$50 or a \$100 if he had one. There was no such club, of course. Pancho and her friends just wanted the pilot to pay for the privilege of being humiliated. Short snorters remained an inside joke among aviators for 15 years. Then in World War II, millions more people joined the tradition, which faded when the war ended.

Knowing what a short snorter is, and sharing both numismatics and aviation as hobbies, I have been rekindling the tradition. In May, 2001, five pilots were grounded at the Delaware County (Ohio) Airport, waiting for bad weather to roll past. I told them the story of the short snorter. We took out our dollars, signed and exchanged them.

At the end of a ground school class in basic aviation, I spun the yarn again. This time, I came prepared with a stack of demonetized foreign notes from Latin America and the Middle East. Everyone signed all of the notes including an Iraqi dinar, a Kazakstan tenge, and a fiver from the Bank of Afghanistan.

When the airport hired a new manager, we gave the outgoing manager a party. I created a string of notes starting with an American dollar and including an Iraqi 5 dinar with Saddam Hussein on it. Not even the geezers recognized the tradition, though about a dozen people put their farewell good wishes on the moneys.

A few weeks later, at the annual airshow and fly-in the airport manager showed his roll to the crew of the Confederate Air Force B-24 *Diamond Lil*. They knew darned well what it was then. ♦



Uzbekistan 1 sum signed by Dan Pyles who flies a Russian Yak-52.

Dan Pyles signs his short snorter on the wing of his Russian Yak-52.





Jindra Schmidt: Czechoslovak Artist & Engraver

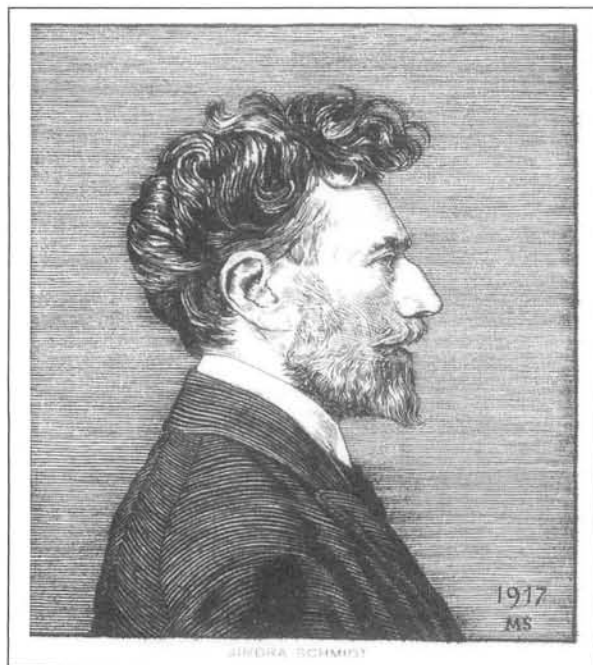
By Gene Hessler

Above: P87 John Zizka, who died in 1424, was a charismatic soldier who led soldiers in the Hussite Wars. Blinded in one eye and then the other, soldiers followed him to more victories.

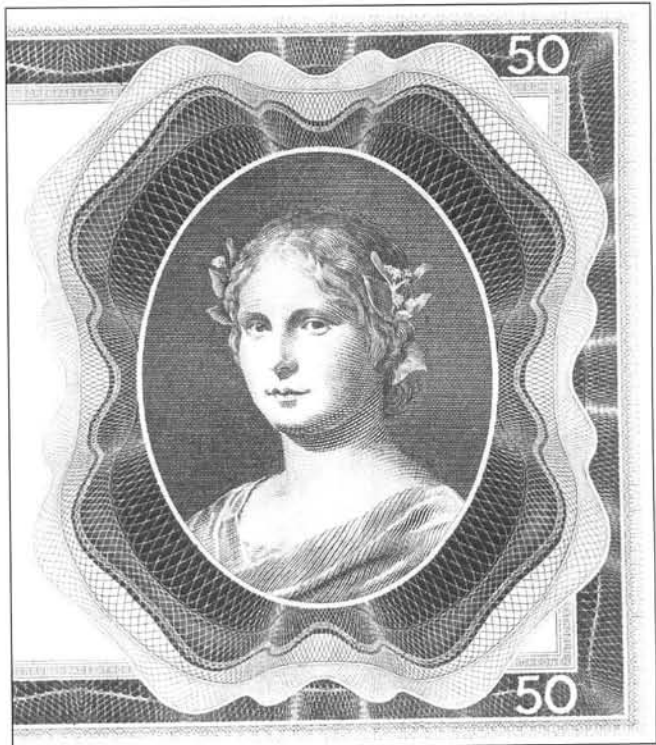
JINDRA SCHMIDT IS RECOGNIZED BY MANY AS THE MOST formidable security engraver to have worked in Czechoslovakia, now the Czech Republic. This portrait and picture engraver and designer was born in Racice at Jaromer on 24 June 1897. A number of engravers in Eastern Europe began as xylographers and wood engravers. Jindra Schmidt worked with K. Kabelka at one of the last wood engraving workshops in Prague.

From 1914-1917 Schmidt attended the High School of Applied Art in Prague where he studied under Prof. Hofbauer. In 1918 he was employed at the Printing House Narodni Politika, where the first Czech bank notes were printed from plates made in Vienna. Mr. Schmidt was among the first engravers to join the new Narodni Banka Ceskoslovenska (NBCS) (Bank Note Printing House) in Prague. During his career Mr. Schmidt also engraved at least 100 postage stamps. Other countries soon recognized his artistry and requested him to engrave bank notes for them. Schmidt retired from the Statni Tiskarna Cenin (STC) (State Printing Bureau), the successor to the NBCS in 1967.

During the German occupation of Czechoslovakia, the western German-speaking section, the Sudetenland, was designated as the Protectorate of Bahmen und Mohren (Bohemia and Moravia) in March 1939. The first notes to circu-



Max Svabinsky by Jindra Schmidt



late in the protectorate were overprinted 1 and 2 korun notes that had been intended for the Czech army. Jindra Schmidt designed these two notes. Apparently the occupiers were anxious to get notes into circulation and did not notice the image of Liberty on the 1 korun note, and liberty was anathema to Nazi Germany.

For a subsequent bank note Max A. Vabinska, an artist who stood second only to Alfons Mucha in Czechoslovakia, created another image of Liberty and Jindra Schmidt was to engrave it. If the Germans weren't smart enough to notice the first symbolic image perhaps A. Vabinska and Schmidt could get away with it again. It didn't work. The engraver was commanded to alter the image by removing the Liberty Cap. The original image of Liberty was not used until immediately after the war in 1945. It appeared on a 100 korun note.

There was another image of Liberty that annoyed the Germans, the likeness that was placed over the entrance to the NBCS, where the paper money was printed. The facade over the entrance was designed by Alfons Mucha in 1918. The Liberty Cap was removed from the stone figure. Martin Srb, one of the designers and engravers at the STC, related this story to me when I visited there in 1990. When I asked why the Liberty Cap was not replaced, I was told that the altered image served as a reminder of what had happened during the war.

Another assignment Jindra Schmidt was given during the occu-

Above left: The original version of Liberty before the alteration.

Above: Liberty after the Liberty Cap was removed.



Left: P17 Bohemia & Moravia Portrait of Herzog Wenzel This was the last note to be issued in Bohemia & Moravia before the end of World War II.



Above: P6 Bohemia & Moravia Charles Bridge with the Prague Castle in the background.

Below: P11 Bohemia & Moravia Portrait of Peter Brandl



pation was to engrave a portrait of Moses for scrip to be used in the infamous Terezin Concentration Camp. Peter Kein, an inmate at this camp was told to create a bank note design with the image of Moses holding two tablets that represented the Ten Commandments. The original engraving was "not Jewish enough" for Reinhard Heydrich the Reichsprotektor. Consequently Schmidt altered the engraving numerous times before this insulting demand was satisfied.

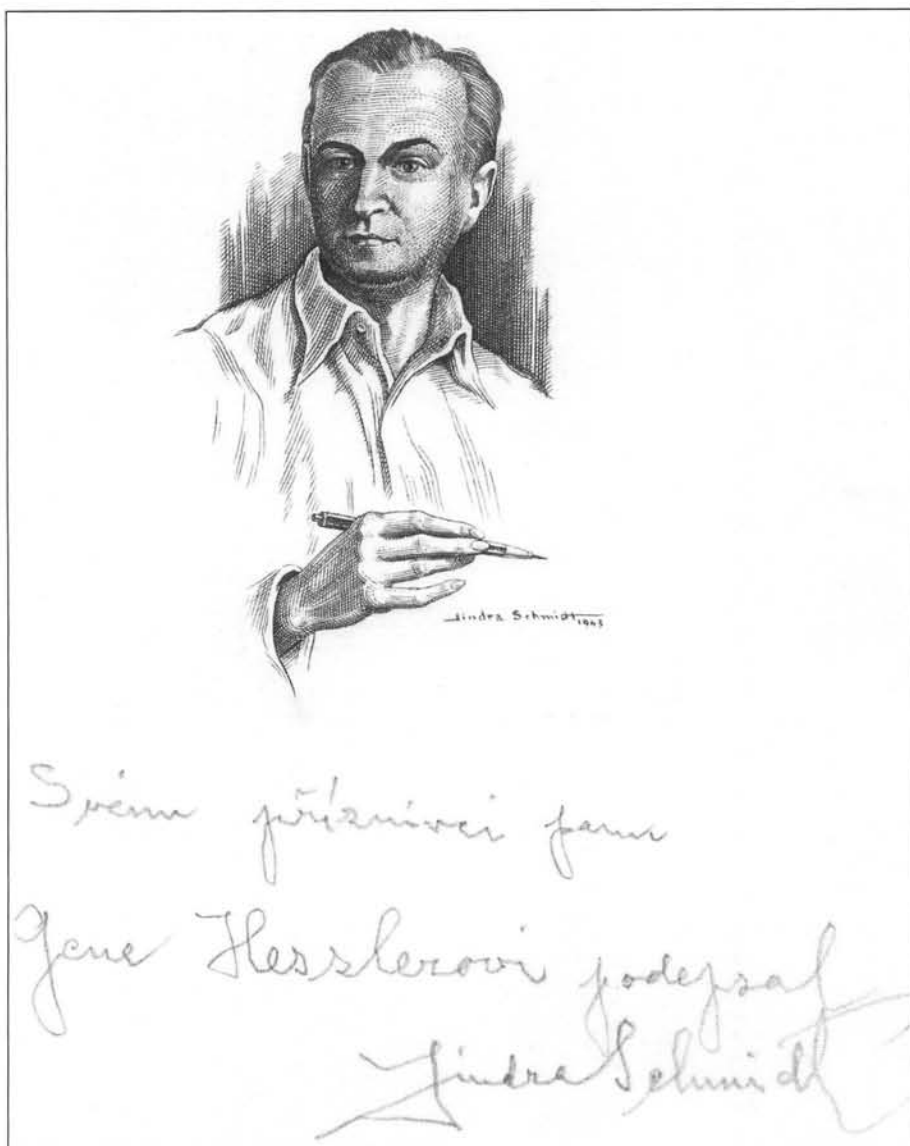
Terezin (Theresienstadt) an 18th century fortress and the surroundings were transformed into a ghetto and place of transit to Auschwitz. The Germans used this place as the model of their humanitarianism. Representatives of the Red Cross made a visit and apparently fell for the deception.

All visitors were announced well in advance, which allowed plenty of time for cosmetic alterations to give the appearance of a clean and happy (ghetto) village. "During such visits, with clothing hiding emaciated bodies of the 'villagers,' children played openly until the visitors left. A string quartet would play Brahms or Mozart in the courtyard for the visitors. To make Theresienstadt even more normal, paper money was created in 1943, even though there was nothing to purchase except some of the items confiscated from those interned there.

"Jindra Schmidt engraved a second version, however the Germans were not totally happy with it. Heydrich wanted the facial features distorted and even more lines

on the forehead of Moses. Nevertheless, notes were offset-printed with Schmidt's second version. The only ultimate use for these Terezin crowns (1-100 korun) by the unfortunate internees was for deposits on books in the library. No one bothered to ask for the return of his or her deposits. Relatives were duped into sending money to the Bank of Jewish Self-Administration, where it would be converted into Terezin crowns, and carefully deposited in the appropriate name of a relative." (Hessler, 1998).

My mother's maiden name was Schmidt, so I wondered if Jindra Schmidt



A self-portrait engraved by Jindra Schmidt and inscribed to the author.

had family ties to Berlin from where my grandfather had emigrated to America. Frantiaicek Sedlacek, a friend in Prague, was also a friend of Mr. Schmidt. I asked him to inquire about the engraver's family history. Mr. Schmidt was ill at the time and, unfortunately, before my friend thought it appropriate to ask, Jindra Schmidt died on March 19, 1984.

With the exception of three notes designed for Bohemia & Moravia, Jindra Schmidt engraved the following bank notes:

Bank Notes

Cuba

- P94 & 100 Castro Entering Havana, 1 peso (back).
- P97 & 105 C. Cienfuegos, 20 pesos.

Bohemia & Moravia

- P2 J. Jungmann, 5 kr. (des.).
- P3 Girl, 1 kr. (des.).
- P4 Woman, 5 kr. (des.).
- P7 Prague Castle & Charles Bridge, 50 kr.
- P9 Boy (des. B. Fojtacek), 20 kr.
- P10 Bohemian Woman (art by J. Manes), 50 kr.
- P11 P. Brandl, 500 kr.
- P13-15 P. Parler, 1000 kr.

Hessler, G. *The Engraver's Line International*, a work-in-progress.

———. "Notes on Paper: Schmidt Engraved Moses for Terezin Notes," *The Numismatist*, December, 1998.

Vapenka, I. *Tvurci Ceskoslovenskych Platidel 1919-1979*. Prague: Ceska Numismaticka Spolecnost (1980). ♦



Above: Theresenstadt (Terezin) NL Moses, 50-kronen. All notes 1-100 K had the same design.

Left: The design that was used on the notes.

Fall of the Soviet Empire Creates Opportunity for Paper Money Collectors

By Richard Giedroyc

"Mr. Gorbachev, tear down this wall!"

ABOUT THE SAME TIME AS THESE ELECTRIFYING words were uttered a set of events were in motion that resulted not only in the destruction of the wall around Berlin, but the demise of the entire Soviet empire, including the Soviet Union itself. (The phrase was almost deleted from the ghost writer's text by political advisors prior to President Ronald Reagan's memorable speech of 1987.)

The demise of the Soviet Union is something most of us never expected to see in our own lifetimes, but -- to those of us who are both staunchly anti-Communist and numismatists as well -- this became a golden opportunity to get in on the ground floor of the most prolific numismatic situation to develop in what had been the region of Russia since the time of the Russian Revolution of 1917 to 1923.

During the Russian Revolution a plethora of emergency and private issues of paper money appeared as each political group grappled first for its piece of the pie, then in turn for survival as the dreaded Red Army eventually vanquished all opposition.

Today enthusiastic collectors seek these many short-lived series, a silent reminder of that tumultuous time in history. For most of us these are the only remaining available artifacts. You might ask, "Has history repeated itself twice in one century?"

During the 1990s the Soviet empire met its demise virtually by trying to keep up with the United States in military spending, going broke in the process. Soviet paper money became even more worthless than the toilet paper to which some of it was later converted.

As the Soviet Union began to deteriorate politically as well as economically, various of the nations absorbed by the prior czarist Russian government or by the Soviet Union itself, began to declare their independence. At first the move came from the outspoken Baltic states of Estonia, Latvia and Lithuania. Eventually most of the balance of European Russia and central Asia declared independent status also. In the wake of this political upheaval, new monetary systems and the accompanying coins and bank notes soon appeared.

Considering all this happened during the early 1990s, it is still not too late for paper money collectors to obtain these fascinating new issues of the diverse nations born from the former Soviet state even now.

It is difficult to pinpoint where the currencies of these new countries originated, but the unofficial festival coins and scrip notes of Estonia and Lithuania of the early 1990s are the likely catalyst. Each of these Baltic states

continued to be belligerent to its soviet masters, quickly establishing its own independent currency system almost as soon as it saw its way clear to declare independence.

ESTONIA PAVES THE WAY

Estonia had tested the waters as early as 1974 when a Song and Dance Festival token coinage was unofficially issued. This token issue was medalic in appearance, but was clearly marked with a denomination. Similar trade tokens have been widely issued elsewhere in the world as a novelty during special occasions, good as a legal substitute for money in a local area for a period of time, then later simply becoming a lasting remembrance. This was not true in Estonia Soviet Socialist Republic. This issue was an act of defiance.

In 1990, by which time both Estonia and Lithuania were only nominally part of the Soviet Union, this issue was followed by the 21st Song and Dance Festival issues in kroon denominations.

Following the earlier Estonian example, Lithuania issued "fair money" scrip in 1989 for the city of Siauliai in the district of Samogitia. Perhaps these isolated issues may not sound like much, but you have to understand this would be the equivalent of a belligerent state within the United States issuing its own money while negotiating for its sovereignty with the federal government.

One irony of the fledgling Baltic state currency systems was that the new nations quickly turned to the Bank of England, requesting \$160 million in gold deposited there by the pre-World War II governments of these states prior to when the Soviet Union overran each of them in 1940. The embarrassed British bankers acknowledged the gold had been auctioned off several years earlier since there was little evidence new governments would ever arise to reclaim the precious metal. Britain did assist by giving the necessary backing to ensure the new currency systems for each of the three Baltic states would not simply become fiat money.

This article may appear to focus heavily on Estonia, but understand it was Estonia that set the economic model all the other former Soviet states would attempt to follow. When in 1992 the Eesti Pank (Central Bank of Estonia) issued its first kroon denominated federal currency at an exchange rate of one kroon equal to 10 Soviet or Russian rubles, economic reforms were enforced in earnest.

Taxes were raised, government subsidies were cut and the budget was balanced during 1992. The Gross Domestic Product dropped by 25 percent that year, but Estonia was on its feet economically when this adjustment period ended. The central bank enforced market discipline on commercial banks, merging two major banks and cutting risky lending practices. By the end of 1992, the new nation had a small current account surplus.

Another key element in Estonia's currency success story was that Finland soon replaced the Commonwealth of Independent States (a trading association of the now independent former Soviet states) as Estonia's largest trading part-



Kyrgyzstan 1-tyiyn bank note of 1993 depicts a domestic eagle similar to that living in the United States. Notes are issued by the Kyrgyz Bank.

ner, stimulating real economic growth, while giving Estonia access to hard currency for its goods. All the other former Soviet states would try to follow the Estonian model, but few would succeed.

Lithuania actually issued its first official non-Soviet currency earlier than did Estonia, the Lietuvos Bankas releasing talonas denominated paper money on par with the Soviet ruble in 1991. A currency reform in June, 1993, dropped the ruble as a substitute currency entirely, while the talonas was exchanged at 100 to one for the new litas; the litas currency system still remaining firmly in place as of this writing.

The third Baltic republic, Latvia, didn't draw as many headlines as did its neighbors, but it too was able to arrange having its gold reserves honored by Britain as backing for its rublis denominated bank notes issued in 1992. The rublis was issued on par with the Russian ruble by the Latvija Banka, central bank of Latvia.

Latvia too, was anxious to drop the inflation riddled Russian ruble as soon as possible. On March 1, 1993, a currency reform was enacted in which 200 rublis (or 200 rubles) could be exchanged for the new lat paper currency. Latvia is still using the lat today.

NEW ISSUES ABOUND

There is no neat order to the chronology of events leading to the independent currency systems and subsequent issues of coins and bank notes by each of the other former Soviet states. The Baltic states led the way, but from there the other new nations began issuing their own currencies at whatever pace they found to be politically and economically expedient.

There were attempts to keep the new nations within a unified currency system, even though the political boundaries were already defined. In late 1991 Russia, Bylorussia and Ukraine made an attempt to form a currency union, the forerunner of the ill-fated Commonwealth of Independent States currency, a system that exclusively used Russian ruble bank notes.

Ukraine's President Leonid Kravchuk denounced the union soon after its existence was announced. It had been hoped the CIS would unite 11 of the new nations under a single currency, but this idea quickly disintegrated. Inflation was a problem, but so was

the Russian Bank's failure to print and ship enough paper money to satisfy the needs of the neighboring states interested in trying to make this currency union work.

Since Russia was at the center of this currency union, it was the responsibility of its central bank to provide sufficient CIS bank notes to fill the needs of its constituents. None of the other CIS members were to issue CIS bank notes. Any failure to fill these needs would be viewed as an attempt by Russia to dominate the economies of its fellow members. It likely was on purpose that Russia failed to supply the needed CIS bank notes to its fellow currency union members. The other CIS members reacted by taking matters into their own hands.

During early 1992 Ukraine issued ration coupons to supplement the Soviet and Russian ruble bank notes in circulation domestically. Moldova (for-

Latvia 1 rublis of 1992 was issued by the Latvijas Banka. In 1993 the Soviet ruble system was officially dumped in favor of the currently used lats denominations.



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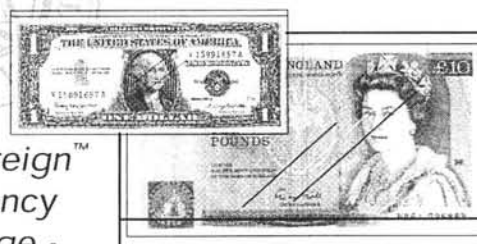
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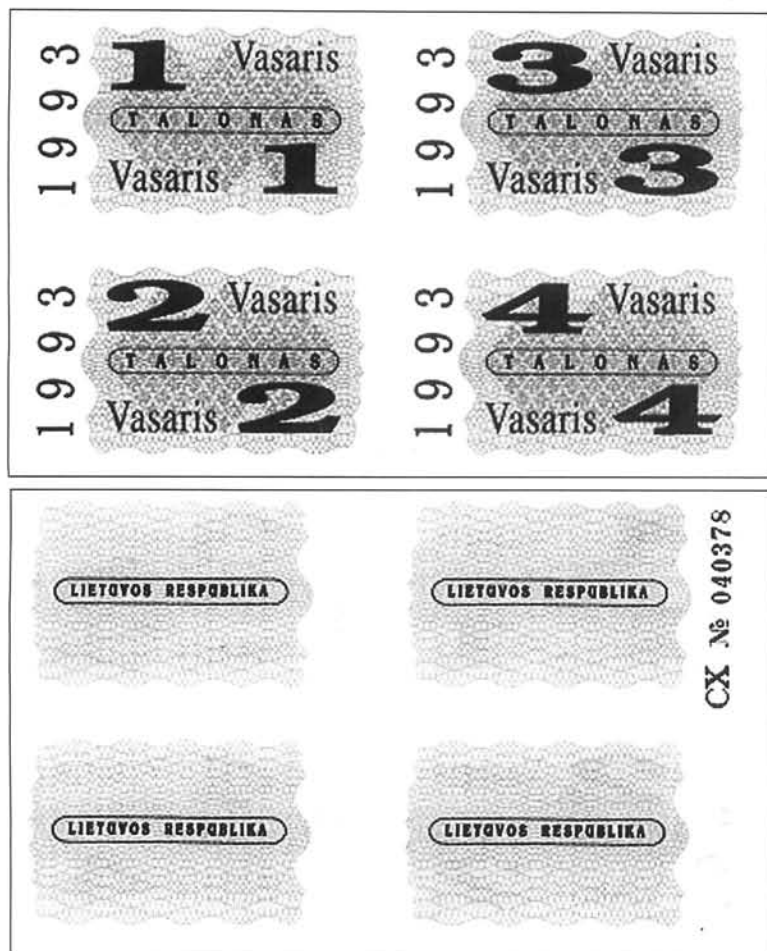
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mer Moldavia), Uzbekistan and Kazakhstan followed; Kazakhstan issuing "kuzbass" checks on par with the CIS ruble. Belarus, as Byelorussia was soon renamed, overprinted Russian notes in local circulation with the word Belarus in an effort by the National Bank of the Republic of Belarus to control the amount of Russian currency in use within its borders.



Lithuania vasaris ration coupons uncut sheet issued during 1993 before the new Baltic nation had a stable currency system. The litas denominated currency now in use was introduced later during the year.

As inflation rose dramatically in many of the former Soviet states, the desire to hold the unbacked and inflation-riddled Russian ruble bank notes declined. This is why Kravchuk quickly backed out of the CIS on behalf of Ukraine.

On April 15, 1992, the Ministry of Internal Affairs of Russia announced one in 10 U.S. bank notes in local circulation was determined to be counterfeit! Such massive counterfeiting of such an important hard currency widely accepted in Russia logically followed the demand to hold reliable hard currencies rather than rubles at the time.

It didn't help Russia's economic situation since the demand for reliable hard currency was becoming more critical as inflation continued to rage out of control. Higher denomination ruble bank notes were soon necessary as the purchasing power of low denominations diminished.

This failure of the Russian central bank to provide sufficient paper notes to fellow CIS members may have partially been a logistical problem, but it was likely also done on purpose in an effort to exert economic control over the other member states. If this is true, the idea backfired. It resulted in many of these states finally concluding they had to issue their own currencies rather than depend on that of Russia for their needs.

BANK OF RUSSIA INTERRUPTS CHANGE

Adding to this problem, on July 26, 1993, the Bank of Russia announced it was withdrawing all pre-1993 bank notes on short notice. Citizens had only until August 7th to convert a maximum of 35,000 old rubles, a value of about \$35 U.S. What was worse, President Boris Yeltsin had not been advised of the move by the bank — on purpose.

Yeltsin rushed back to Moscow from a trip he was on, where he confronted the conspirators in the bank. The currency reform was needed. This he allowed. Yeltsin, however modified the currency exchange date to be continued through August 31st, with a maximum of 100,000 old rubles (worth about \$100 U.S.) to be exchanged without any questions asked. Larger exchanges in cash were allowable, but special procedures and investigations regarding suggested illegal activities were to follow such questionable larger transactions.

Russia would once again revalue the ruble in 1998, exchanging the beleaguered 1993 ruble at a ratio of 1,000 to the new ruble. Unfortunately, the failure to supply sufficient rubles to other CIS members coupled with the bungled 1993 currency reform by Yeltsin's political enemies drove CIS member states to issue their own currencies once and for all.

Estonia, Latvia and Lithuania were already on their own. The National Bank of Ukraine issued karbovanets currency on par with the ruble during 1991. The karbovanets was initially planned to merely supplement low avail-

able supplies of rubles. Due to inflation in both countries, the karbovanets was replaced on September 2, 1996, at a ratio of 100,000 karbovanets to the hryvnia, a currency unit still in use in Ukraine as of this writing.

Other countries followed suit:

- On May 22, 1992 Belarus (former Byelorussia) issued its own rubles at a ratio of one Belarus ruble to 10 Russian or CIS rubles.
- Georgia issued its kuponi on par with the ruble in April, 1993.
- Kyrgyzstan issued som denominated currency, the som equal to 200 rubles, beginning May 10, 1993.
- Kazakhstan issued tenge denominated currency beginning November 15, 1993.
- The Turkmenistanyň Merkezi Dowlet Banky in Turkmenistan issued manat bank notes, the manat equal to 500 Russian rubles, in November, 1993.
- Uzbekistan issued sum coupons the same month, once again initially planned to supplement the CIS ruble.
- Azerbaijan issued the manat equal to 10 Soviet rubles in late 1992 through the Azerbaijan Milli Banki. The ruble was officially dumped as a concurrent currency in January 1994.
- The Central of Armenia began issuing its dram currency in November 1993.

The Georgian Government Bank began with supplemental kuponi on par with the CIS ruble in April, 1993, but on August 3, 1993, demonetized the ruble. Inflation followed, resulting in a September, 1995, currency reform in which 1 million kuponi were exchangeable for one lari, the currency unit still in use.

Moldova issued supplemental coupon rubles in 1992, but the following year the Banca Nationala a Moldovei issued coupon lei, one lei equal to 1,000 coupon rubles. On November 29, 1993, the first official lei bank notes replaced the coupon lei not as a supplemental issue, but as an actual independent currency unit printed as bank notes.

The only state standing with Russia as a fellow CIS member by then was Tajikistan. It wouldn't be until May 10, 1995, that the National Bank of Tajikistan would issue Tajikistan ruble bank notes, the local ruble equal to 100 Russian rubles. Since that time Tajikistan has continued to have inflationary problems. On November 1, 2000, the bank issued somoni denominated bank notes at a ratio of one somoni to 1,000 Tajikistan rubles due to inflation.

The CIS had utterly failed. The last vestiges of any economic attempt to keep the former Soviet empire together as a single nation in some manner had evaporated. Only history will tell us at some time into the future if this break up will be permanent or if this will be another appanage period for "Mother Russia" while it waits for some future Golden Horde to reunite the various countries by force once again as happened in the 14th and 15th centuries.

Collectors shouldn't be intimidated by the unfamiliar names of these newly independent states. Some of them actually have a past numismatic history, while others do

Commonwealth of Independent States (Bank of Russia) inflationary 10,000 rubles of 1992 was later replaced with the "new" ruble equal to 1,000 "old" rubles.



not. Belarus is probably the classic example of a state with no previous heritage of political independence or independent numismatic system. Ever since it became independent Belarus has negotiated to try to voluntarily rejoin Russia. Since Belarus has a continuing inflationary problem much worse than that in Russia, Russia views Belarus as an unwanted liability.

There were several unorthodox issues of paper money that appeared late in Soviet history and during the period of the birth of the new nations. Significant numbers of Soviet factories began issuing their own scrip good only at the company stores.

These stores traded goods made at the factory they represented for different goods made available from other company stores. In essence this factory scrip represented a fairly sophisticated barter system brought about by economic necessity.

The first unofficial notes of several of these new nations were simply coupons printed on newspaper quality paper, to be cut from the sheet to make change. Coins came later to some of the new nations. Some have yet to issue their first coin. Some of the factory scrip is still in use due to continuing problems with local economies.

There have been several break-away republics as well, unrecognized local governments desiring independence, but lacking the muscle to succeed. Among these Abkazia, Birobidzhan and the Chechen Republic did not issue their own currencies, but both Nizhni-Novgorod and Trans-Dniestra issued bank notes, while Tatarstan issued tokens depicting wheat or oil, for which these tokens were meant to be exchanged.

Is it over yet? Likely not. The political and economic situations in many of these new countries is still unstable. This is history in the making, and an opportunity to collect a piece of history as it happens. The ground floor is in front of you. All you need to do is to begin to collect what is now or has recently been issued. ♦

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The Editor's Notebook

Fred L. Reed III



fred@spmc.org

Advertising Pays

I wear several hats around the *Paper Money* office. The mast head calls me this publication's Editor, and of course I do edit articles. I also layout the publication, so you could call me the Production Manager. My least visible role is Business Manager, the traditional Publisher's Role. I also, occasionally, find time to write for the publication. I'm comfortable in all these roles because I have been doing many of them for upwards of 40 years now.

Now, I'm not looking for applause, nor a raise, but I'd like to explain the economics of this publication for this Society's members. *Paper Money* is the principal benefit most members enjoy for their dues dollar, so as a professional communicator I'm very cognizant of the numbers. Dues dollars pay the bulk of this publication's costs.

Increasingly, however, advertising dollars are playing a more important role. You may have noticed that more and more ads are appearing in this publication -- and the size of the publication is growing rapidly. This means more and more information is available at the tips of members' fingers, more opportunity for members to contribute their findings, and hopefully more entertainment and hobby value for each member to enjoy.

The SPMC Board (on which I also have served for several years, by the way) rightfully holds my feet to the fire regarding the economics of our publishing program. Since I have successfully managed multi-million dollar magazines with circulations exceeding one million per issue, negotiated bigtime publishing contracts, and sold national advertising, I'm happy with the arrangement.

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But one person CAN be stretched too far. Since I signed on as this publication's Editor, members Bob Cochran and Bob Schreiner have ably assisted me as Ad Managers. Both did splendid jobs. Mr. Schreiner recently agreed to take over the Society's Library creating an opportunity for somebody else to step forward to assist our Society's publication. If you've got some time and are a team player, see Page 299 for details. I could use some help. P.S. your name needn't be Bob to apply! ♦

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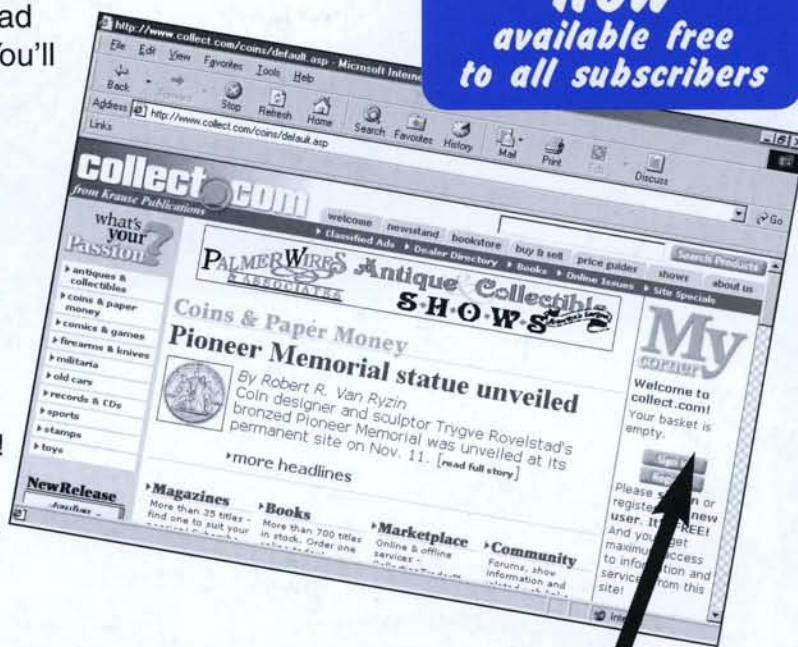


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